



THE INDEPENDENT

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WEATHER: Wet and blustery

(R4Sp) 400

COMMENT PAGE 17

**SUZANNE MOORE
AN APPROPRIATE
FUNERAL**

IN THE TABLOID

**BRIDGET JONES
MOURNS THE PATRON
SAINT OF SINGLETONS**

CITY+

**OFFICE POLITICS
AND OFFICE POWER**

Million expected at funeral

**Michael Streeter
and Anthony Bevins**

Diana, Princess of Wales, is to be given the ceremony she would have wanted, putting the charities and victims she championed so passionately at the heart of Saturday's funeral.

Buckingham Palace officials, who have been seeking advice and support from Downing Street in the days since her death, yesterday announced that 500 representatives from her favoured charities will walk as part of the funeral procession, expected to be watched by more than 1 million people on the streets of London.

Many of those following her coffin are expected to be from groups she cared most about; the disabled, children, the elderly and people with HIV or AIDS.

In another move designed to meet the extraordinary groundswell of grief – shown again yesterday with massive queues of people signing books of condolence around the country – the palace is considering narrowing the main funeral procession to let more members of the public pay their last respects to the People's Princess.

Immediately after the 11am Westminster Abbey service, the nation will observe one minute's silence, though many other organisations, including British Airways, London Underground, supermarkets and shopping centres will observe an unofficial two minutes' silence at 11am.

The arrangements announced so far partly reflect the influence of Tony Blair and his officials, to whom the Palace turned for advice after Diana's death in a Paris car crash early on Sunday.

From the very start of this tragic week, the Prime Minister has taken the view that he needed to offer the Palace advice on the strength of national grief, and how to provide a release for that deeply emotional reaction.

There was no question of the Prime Minister's office putting pressure on the Palace, but Royal advisers recognised that fresh from his landslide election victory, Mr Blair had a sure feel for the public pulse.

For that reason, when the families, the Palace and Number 10 agreed that the Abbey service should not be packed with the great and good, dignitaries from the world of diplomacy and politics, it was the Prime Minister's office gave the Palace the confidence to "scythe" the diplomats and the politicians from the congregation.

French judge accuses seven paparazzi of manslaughter

**Louise Jury
and John Lichfield**

Diana 1961-1997

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Seven photographers were formally accused of manslaughter yesterday following the death of Diana, Princess of Wales, and could face up to five years in prison. But lawyers representing the men rejected the charges as politically motivated.

William Bourdon, lawyer for Nicolas Arsov of the Sipa agency, said there was no justification for the action: "What is happening is showbiz justice," he said. "It is only the standing of the victims which explains this judicial spectacle."

The seven have also been

placed under examination – one step short of a formal charge – for recklessly causing bodily harm and failing to assist victims of an accident. All the offences carry a maximum sentence of five years in prison and a fine of up to £50,000.

Five of the men arrested at the crash scene on Sunday morning were freed. The public prosecutor requested that two others – Christian Martinez and Ronald Rat – be kept in custody because of the seriousness of the evidence against them.

Following the announcement on Monday that the driver of the crashed car had been drinking heavily, there was speculation that the manslaughter and

injury allegations would be dropped. But the prosecutor's office, and an investigating magistrate, Hervé Stephan, decided yesterday that there was a *prime facie* case which deserved further investigation.

The 350-page report presented by police and prosecutors to Mr Stephan rejects claims from the Fayed family that the photographers were directly responsible for the crash. It accepts the photographs' evidence that they were at least 100 metres behind the car when it crashed. But the report suggests that their behaviour in harassing the Princess and David Fayed, began the chain of events which led to the tragedy.

Legal experts in France said they doubted whether such an accusation could be made to stick. However, there is substantial evidence that photographers impeded police and emergency services by taking pictures of the dying Princess in the wreckage at close range.

Mr Bourdon, lawyer for Nicolas Arsov, said his client was not even pursuing the Princess's car. He had mistakenly followed a decoy car, turned around and come across the crash scene. Another of the accused men, Jacques Langevin, is a much-praised war-photographer, who took some of the most striking images of the Tiananmen massacre in Peking. His agency, Sygma,

said yesterday that he, also, stumbled on the scene of the crash and was not part of the pursuing paparazzi pack.

There has been a powerful wave of public opinion in France against the behaviour of the paparazzi including death threats telephoned to some picture agencies yesterday.

Legal experts said yesterday that both the French government and the judiciary felt themselves under great pressure to achieve results in the Diana investigation, following criticisms of recent failures, including the lack of progress in the case of the murdered Cornish schoolgirl, Caroline Dickinson.

Mir astronauts are fined for their prang in space

**Charles Arthur
Science Editor**

Now, you can even be fined for dangerous driving in space. The two Russian cosmonauts who were in charge of the Mir space station in June when a cargo ship crashed into it will have some of their salary docked, according to a formal commission.

The collision was caused "beyond any doubt" by human, rather than mechanical error, said Valery Ryumin, Russian co-ordinator of the Mir-Nasa pro-

gramme. The decision followed a thorough examination of the flight data, Mr Ryumin said: "Personally, I feel pity for the boys, but the facts remain. Most likely we will have to fine them, cutting the segments due under the contract." He did not say whether the fine is intended to cover the cost of repair; space-craft are very expensive, and Russian salaries comparatively low.

The British-born Michael Foale, who was sleeping in a space station module when the accident happened, was appar-

ently not blamed. He is still on *Mir*, with a new two-man crew.

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the funeral

Diana 1961-1997

Palace concedes to public mood

Michael Streeter

The overwhelming demand of the British people to say farewell to Princess Diana is forcing Buckingham Palace to amend arrangements for the funeral procession on Saturday. Although they have ruled out lengthening the route through Whitehall, Palace officials are considering moves to narrow the width of the one-mile procession, on its route from St James's Palace to Westminster Abbey, in order to meet the huge demand from members of the public to snatch a final glimpse of the coffin.

At least one million people are expected to line the streets, bringing much of the capital to a standstill. Already train companies around the country have announced extra trains to meet demand for the day.

A one-minute national silence will be observed at the end of the service, which begins at 11am; the service is expected to last 45 minutes. 500 representatives of charities linked to Diana will follow the official mourners, including Prince Charles and chief mourners Princes William and Harry, along the emotional journey.

They in turn will follow—probably on foot—the gun carriage carrying Diana's coffin. Although details have not been released, it is likely the carriage will be pulled by officers and men of the Royal Navy, as happened with the coffin of Sir Winston Churchill in 1965.

Although the Palace and Scotland Yard have not released details, the presence of 100 or so Naval staff may be one of the few obvious signs of military paraphernalia on show—apart from those Royals with military backgrounds—in contrast with past Royal funerals.

The crash barriers along the streets of the procession will be lined with uniformed officers from the Metropolitan Police, who are in charge of security.

The route starts at St James's Palace, where Diana's coffin is lying in the historic Chapel Royal. It runs along Marlborough Road, the Mall, Horse Guards Road, Horse Guards Parade, Whitehall, Parliament Street, the east side of Parliament Square, Broad Sanctuary, to the great west door of Westminster Abbey.

Once the procession has walked

somberly to the Abbey, the charity group will then watch the service on a large screen, probably in Parliament Square, while senior officials from their organisation are seated inside the Abbey. At some point there may be a fly-past staged by the Royal Air Force.

It is thought that the Queen and other senior Royals attending, including the Queen Mother (health permitting) and Prince Philip, will arrive at the Abbey by car.

Suggestions that officials might extend the length of the route have been rejected, because of logistical

problems and fears about extending the time the young princes are in public. No decision has yet been made on the route to be taken by the funeral motorcade when the service ends, seen as another opportunity for the public to express its grief.

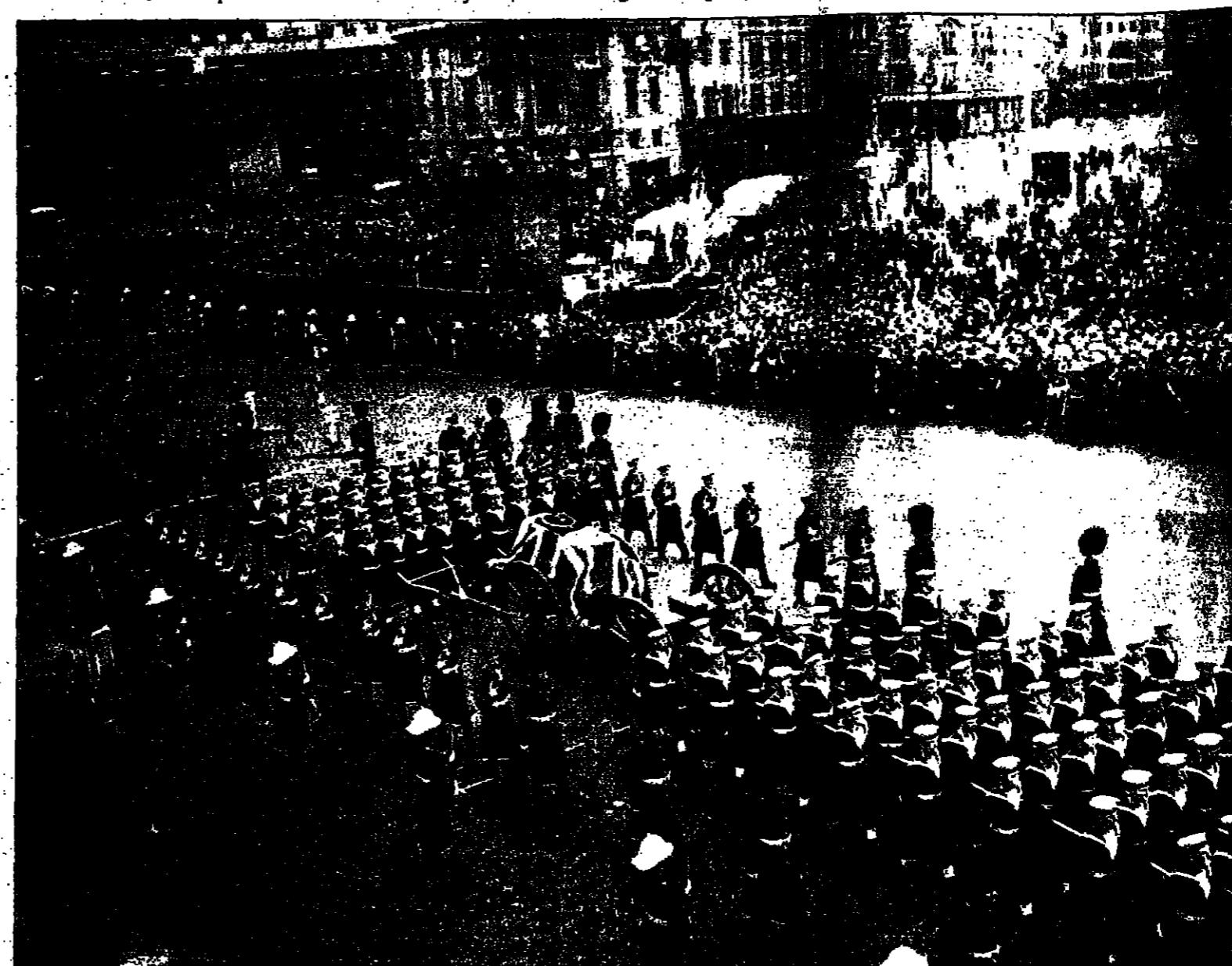
A Palace spokesman said: "Consideration is being given to the width of the route. Obviously if it is narrower, more people will be able to line the route."

No official guest list has been released following invitations to foreign dignitaries—chiefly from those

countries with a link to Diana—though it is known President Clinton will be attending. It is believed President Clinton was dissuaded from attending to ensure the funeral was not seen as a top-heavy State occasion; Hillary Clinton will come instead.

Meanwhile announcements on who officiates and of the service itself may come later today. The desire of the Spencer family to have a major input in the arrangements means that traditional forms of Royal funeral services may not be incorporated.

Even at 82, Queen Victoria left a nation unprepared ...



Pageantry and pomp: 'No one can do this sort of thing like the British,' said an American observer at Churchill's funeral in 1965, above. Mourners lined the streets of London, as they had for Queen Victoria in 1901, left.

Photograph: Hulton Getty

In a strangely similar way, Queen Victoria's death, despite her great age, was unexpected. It might have been supposed that there would have been some forward planning for such an important event, particularly given that she was 82-years-old. This, however, was not the case and her ceremony in 1901, like Diana's, had to be planned from scratch in a matter of days.

The late Queen's household pulled it off—just. Whereas the funerals of her predecessor had always been at night, Queen Victoria's took place in the daytime, a custom followed ever since.

Other traditions—such as the dragging of the gun-carriage—also began with Victoria's send-off, albeit by accident. A mishap at Windsor station brought

about the birth of a new royal tradition. As the coffin was placed upon the gun-carriage on which it was to be drawn to St George's Chapel, the horses of the Royal Horse Artillery kicked over and broke the traces. It was therefore suggested that the naval guard of honour should replace the horses and drag the gun-carriage to the castle. The effect was so striking that the practice has been followed at every sovereign's funeral since.

Mishaps or no mishaps, the words of a man from Chicago as he gazed in wonder at Sir Winston Churchill's funeral also ring true today. "No-one can do this sort of thing like the British," he said.

Despite its uniqueness, Saturday's ceremony will be stamped with the same solemnity as magnificent state funerals of the past. Just as Saturday 30 January 1965 went down in the history books as "a triumphal Churchillian day", so Saturday 6 September 1997 will be remembered as "Diana's day".

On such occasions, the sense of loss is offset by the pageantry and pomp and the silence is set to music. The streets of London are lined with mourners, many of whom have stayed up all night with their thermos flasks of coffee.

By 3am on the morning of Churchill's funeral there were more than 500 mourners outside the cathedral. By daybreak

the humble and the mighty were crammed cheek by jowl, some on balconies and others squeezed into doorways.

State funerals embody not

side the cathedral. By daybreak the humble and the mighty were crammed cheek by jowl, some on balconies and others squeezed into doorways.

State funerals embody not

Paul's cathedral. Some planted themselves along the river so they could witness the quiet journey upstream to Festival Pier. After the ceremony the coffin was taken by launch from Tower Pier upriver to Waterloo Station on its way to burial.

Everything was done with astonishing precision.

Unlike Diana, who will be interred on the same day as the funeral, Queen Victoria's body was simply carried into Albert Memorial Chapel adjacent to St George's Chapel, where it lay for two days, until it was drawn in a procession to the mausoleum at nearby Frogmore to be reunited with that of the late Prince Albert.

Merged with the crowd was

the press. While we will take for granted the television coverage of the princess's procession and funeral, for Churchill's funeral in 1965 it was a mass operation the likes of which no-one had known before.

The television coverage was a story in itself. Cassandra wrote in the Daily Mirror of "the Great Pagan God Telly" and there were marvelling accounts of the BBC's 35 cameras.

Live television coverage had the biggest audience ever recorded - 350 million in Europe alone.

Churchill's funeral, one of the most complex technical operations in television history, went virtually without a hitch.

Prince Albert

Merged with the crowd was

years, it had only five days for practical preparations. Richard Dimbleby narrated for the BBC and Sir Laurence Olivier for ITV.

The world stood still for Churchill, just as it will on Saturday for Diana. Stores, cinemas and theatres closed. Footballers and racegoers stood, heads bowed, in one minute's silence.

Big Ben framed the day's mourning. The mighty 13-ton bell struck at 9.45am and then fell silent. At midnight, the clock which had heralded all Churchill's great wartime speeches began to strike again, announcing the dawn of the first day without the man who had been at the helm of people's lives for generations.

For many, this Sunday will seem similarly strange.

"I'M LOOKING FOR A
HASSLE-FREE SAVINGS ACCOUNT
THAT STILL GIVES ME A GOOD
RETURN. ANY IDEAS?"
LOUISE ALEXANDER, NOTTINGHAM.

"THE NATIONAL SAVINGS INVESTMENT

ACCOUNT COULD BE JUST WHAT

YOU'RE LOOKING FOR! You get

attractive, variable rates of interest,

which are tiered depending on the

balance in your account. And there

are a variety of deposit options. You

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Diana 1961-1997

the tributes

Memorial fund will back her causes

Kathy Marks

A memorial fund is to be set up in the name of Diana, Princess of Wales, to channel charitable donations to the causes that she championed during her lifetime.

Charities with which she was associated have been deluged with calls from people who wished to donate money as a mark of their respect and affection.

The announcement of the Diana, Princess of Wales

Memorial Fund, by Buckingham Palace yesterday, is a response to that explosion of philanthropic sentiment. The fund will be coordinated and administered at Kensington Palace, which was her London home.

At the height of her charity work, the Princess was patron or president of 100 charities, acting as a high-profile magnet for donations. After her divorce and decision to retreat from the public spotlight, she severed



Flower show: a passer-by places a bouquet of lilies yesterday amongst the hundreds of other floral tributes to the Princess of Wales outside St James's Palace. Thousands continued to queue in the hope of signing the books of condolence in her memory

Photograph: Brian Harris

links with all but six.

Buckingham Palace said yesterday that the details of how cash given to the memorial fund would be allocated had yet

to be determined.

But the core charities with which Diana remained associated – the National Aids Trust, the Leprosy Mission, the Eng-

lish National Ballet, the Great Ormond Street Children's Hospital, the Royal Marsden cancer hospital and Centrepoint, for the young homeless – are likely to

be among the main recipients of donations to the memorial fund.

Another cause for which she campaigned passionately, and which will probably benefit

from the fund set up in her honour, is the British Red Cross's crusade against anti-personnel landmines.

The announcement was welcomed with enthusiasm by the charities for which she was still working at the time of her death. They said they had been planning to meet to coordinate their response to the flood of offers of money from the public.

Gavin Hart, a spokesman for the National Aids Trust, said: "After the terrible tragedy on Sunday, a lot of people felt there was a need for an enduring memorial that would sustain Diana's work on the wide range of issues in which she was involved."

"But it must be said that nothing will compensate for losing such an impressive ambassador for Aids causes around the world."

Victor Adebowale, director of Centrepoint, said the fund was a fitting way to remember a "remarkable human being who meant so much to us".

"It is obvious that the public wants to remember a princess they loved, in a way she would have approved of," he said.

The announcement has given us the direction that is needed."

Centrepoint is setting up its own fund for donations made in Diana's memory. The Leprosy Mission is considering giving her name to a centre under construction in India for the rehabilitation of leprosy victims.

An office was set up at Kensington Palace yesterday to handle donations to the memorial fund, but it will not become fully operational until after Diana's funeral.

The fund is to be administered by staff who worked in the Princess's private office at the palace. Other details, such as names of trustees, will not be decided until next week. "We are up and running in the sense that we are receiving cheques, but at the moment we are all working on the funeral," a spokeswoman said.

Buckingham Palace said people who wished to make donations should send cheques, made out to "The Diana, Princess of Wales Memorial Fund", to Kensington Palace, London W8 4PU.

More join the big shutdown as Britain plc shows respect

Amanda Kelly

Hundreds of stores, theatres, cinemas, banks and radio stations joined the groundswell of organisations planning to close or observe a silence on Saturday as the Princess is laid to rest.

Prince Charles has cancelled all his engagements for next week, including working trips to Berlin and Prague, in order to continue comforting his two young sons.

Buckingham Palace has made no official request for the general public to mark the occasion, saying it was "up to the individual" to do so, but there are few bodies that will not be honouring the event in some way.

But while all major sporting fixtures in England have been cancelled on Saturday, Scotland decided to hold the World Cup qualifier between Scotland and Belarus. Last night, the Scottish Secretary, Donald Dewar, voiced "great concern" at the scheduling.

Transport networks up and down the country will come to a standstill, although extra trains will run on Saturday to bring into London the many thousands who will line the route of Diana's funeral procession, and all mainline stations will observe a two-minute silence at 11am. London Underground will also operate extra services on the District and Circle Lines, but Westminster Tube station will be closed all day.

Insurance companies are even offering to pay out claims by couples who want to postpone their weddings on Saturday, out of respect for Diana's funeral. A spokesman for Ecclesiastical, which sells about 300 policies for wedding insurance each year, said: "In view of the unprecedented circumstances, we would pay out if they felt they could not go through with it. But we would want people to contact us before then, because we are closing on Saturday."

Sotheby's announced last night that the auction of the collection of the Duke and Duchess of Windsor, between 11 and 19 September, has been postponed indefinitely.

Britain's busiest port, Dover, will come to a total standstill at 11am, with all cross-Channel ferries and hovercraft halting in

the port and hundreds of passengers being asked to stand for two minutes silence.

Planes are expected to be routed away from central London during the ceremony, and British Airways will be showing television tributes to Diana on in-flight entertainment screens.

The Department of Trade and Industry, the CBI and the Federation of Small Businesses yesterday urged bosses to be flexible and to respect the wishes of workers who wanted to pay their respects to Diana.

Marks & Spencer, Barclays Bank, Blockbuster video and The Cancer Research Campaign were among the hundreds of businesses and other organisations which announced yesterday that they would not be trading on Saturday morning.

The London department store Selfridges said that, as well as closing until 1pm, it would be

I am in no mood to do jokes on my show

Chris Evans

making a donation from the day's takings to one of the Princess's favourite charities.

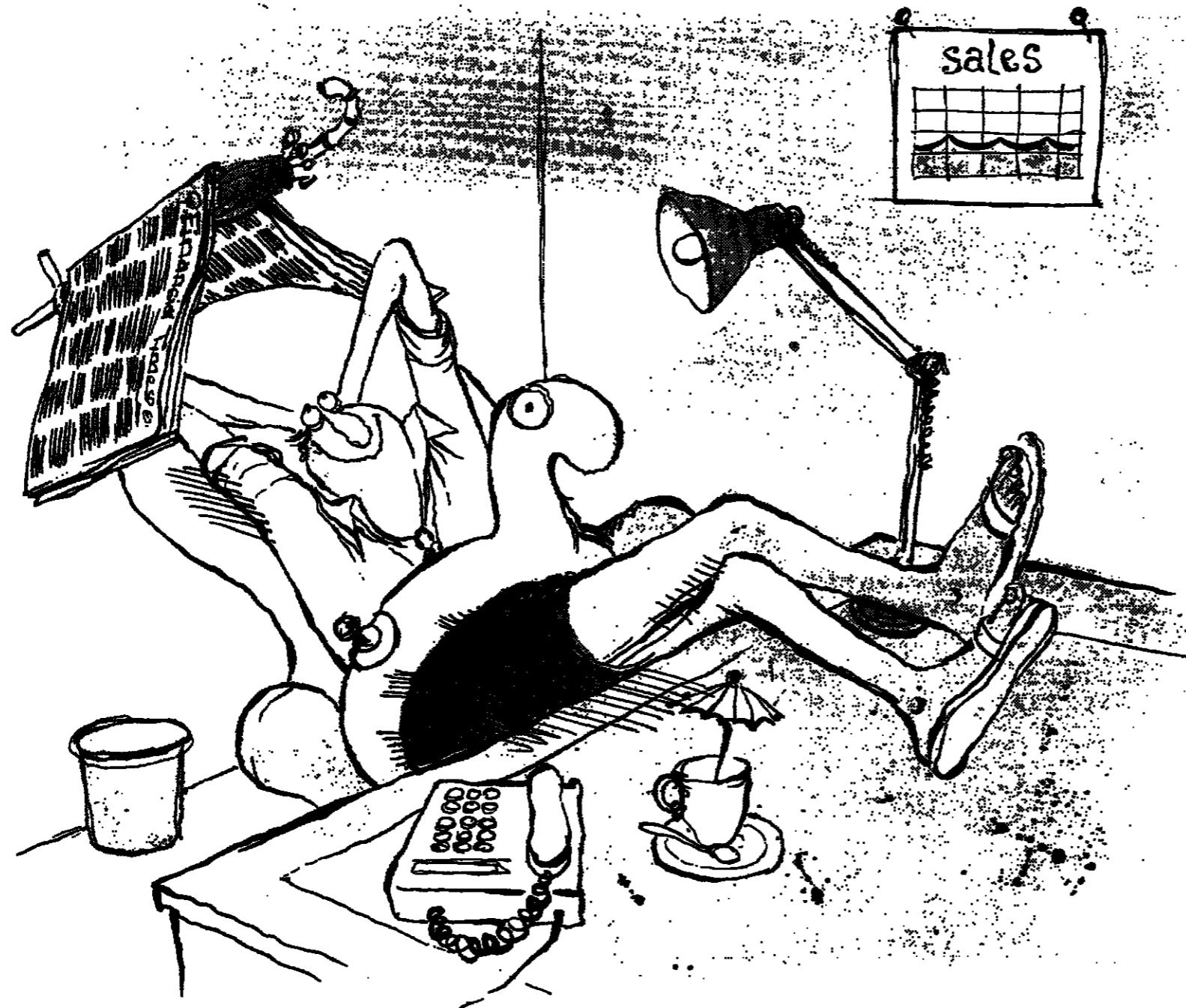
And while hundreds of museums, including the Victoria and Albert Museum, will shut their doors for the morning, the Royal Academy will be staying open and asking for donations towards two of Diana's favourite charities, instead of the usual £5.50 admission fee.

Some pubs are expected to close throughout the day while others will open especially to provide a focus for people watching the funeral on TV.

Other gestures have been made by entertainer Chris Evans, who scrapped his *T/Friday* show because he was said to be in "no mood for jokes", and film distributor UIP, who have postponed releasing *That Old Feeling* – a romantic comedy featuring a paparazzi photographer.

Charity match plan, Sport

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Applies to local, regional and national weekday daytime calls during September 1997. Direct dialled calls from BT business lines only. Excludes BT Chargecard calls and calls to mobiles. 5p minimum charge applies. *Business Choices Level 1 site fee of £5 per quarter.

Lan
Amel
gene

Even in
poorest na
the flag
at half r

Eric Turner

Lament of America's Di generation

Mary Dejevsky
Washington

When, in a few weeks perhaps, Britain starts to emerge from the self-absorption of mourning, it may begin to realise that the loss of Diana, Princess of Wales, has implications that go far beyond its own shores. Abroad, Britain will be diminished by her death to an extent that Britons themselves can hardly imagine.

I have just returned from 3100 Massachusetts Avenue in leafy north-west Washington: the address of the British Embassy. The broad avenue, lined with diplomatic missions, snakes up a gradual hill from the city centre. You can be there any day of the week and there will be no one in sight, and only an occasional (diplomatic) vehicle sweeping past.

For the past 48 hours it has been the scene of a never-ending procession of slow-moving cars and pedestrians. Families, couples, groups of friends and individuals are making their personal pilgrimage to say farewell to Diana. Many carry flowers, some a small toy, others a card or a message.

There is a queue half a mile long to sign the book of condolences, but many ignore the formalities. They have their own ritual. A pause, head bowed, in front of an expanse of flowers and messages that resembles an ever-growing shrine; the tribute laid, another pause, a photograph taken for the family album.

This scene is being repeated across America, wherever Britain has a representation: in New York, Chicago, Houston and elsewhere. And as striking as the numbers of people arriving is the sort of people they are; not America's aristocracy, groups nor the celebrity-seeking "grannies". Not are they predominantly expatriates, though there is a good sprinkling of them, too.

The only way to describe them is as "ordinary" people. Many are the young and young

An endless procession makes the pilgrimage to say farewell

her resort to the confessional, was a figure Americans were able to relate to.

That may be the American explanation, but it is not the whole story. There have been similar public outpourings elsewhere in the world, and the complexion of the crowd appears similar. Outside the hospital in Paris where Diana died, there were more black and brown people than you would see in most Paris crowds. Whatever the truth of Diana's life and her personal misjudgements, whatever the privileges she was born to and married into, ordinary people abroad, as well as at home, felt she was on their side. Formal condolences from state leaders give barely a hint of the affection and regard in which the Princess was held.

This creates for Britain abroad a problem similar to the one that now faces the Royal Family at home. The monarchy has lost at a tragic stroke all that was young, beautiful, sympathetic, accessible and even relevant about royalty for Britons.

Even in the poorest nations the flags fly at half mast

Marcus Tanner

For some, thousands of miles from the scene of the princess's death, the burden of grief was just too much. In Pakistan, a 39-year-old man who had his photo taken with Diana when she visited his village in May, killed himself. He took up a few minutes of her life, but Shehzad Shafi swallowed poison in the eastern city of Gujarat when he heard of her death - his precious picture of himself and Diana in his pocket.

And in Hong Kong, a man jumped to his death from a 33rd storey window yesterday. Behind him he left his pile of newspaper reports of the princess's death. Outside, avid collectors rushed to snap up old stamps featuring the late princess as dealers jacked up prices by hundreds of Hong Kong dollars.

A handful of suicides by people perhaps already highly disturbed. But in many of the world's poorest countries there was real grief for the princess who both dazzled and comforted them, and fears that her work might now be forgotten.

In Angola, which the princess visited in January as part of her campaign against the sale and manufacture of landmines, some of those who saw her during her visit said they feared the cause she championed would be abandoned. "She was genuinely interested in our suffering," said Jose Sarria, a 35-year-old former soldier with the government army, who had his leg blown off by an anti-tank mine. "Now that she is dead we don't know who will take up the fight."

middle-aged - the "Diana" generation. Couples have brought young children, groups of teenagers and students have come, not to sneer or to gawk, but to pay their respects.

There are gay and lesbian couples, demonstratively holding hands; visitors in wheelchairs or on crutches, and most extraordinary of all, in this very white part of Washington, is the proportion of blacks and Hispanics for whom upper Massachusetts Avenue is alien territory. There is anger as well as sadness in the air; one man made a bouture at a Los Angeles newsstand of current editions of *The Globe*, a tabloid newspaper, in protest at the use of "stalkerazzi" pictures.

In the United States, people have tried to explain the intensity of public emotion by saying that Diana, with her mixed-up life, her concern for her children, her eating disorders, her public divorce, her struggle to balance the private and the public and the confessional,

was a figure Americans were able to relate to.

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Diana 1961-1997

the media

Two paparazzi still held in custody

Freelance worked for top agency

Louise Jury
Paris

The two photographers who the French public prosecutor ruled should be held in custody were Christian Martinez and Romuald Rat.

The reason for the request was the subject of significant speculation yesterday and it was suggested that Mr Martinez, at least, may have been one of the photographers known to have taken photographs of the Princess of Wales as she lay injured in the wrecked Mercedes.

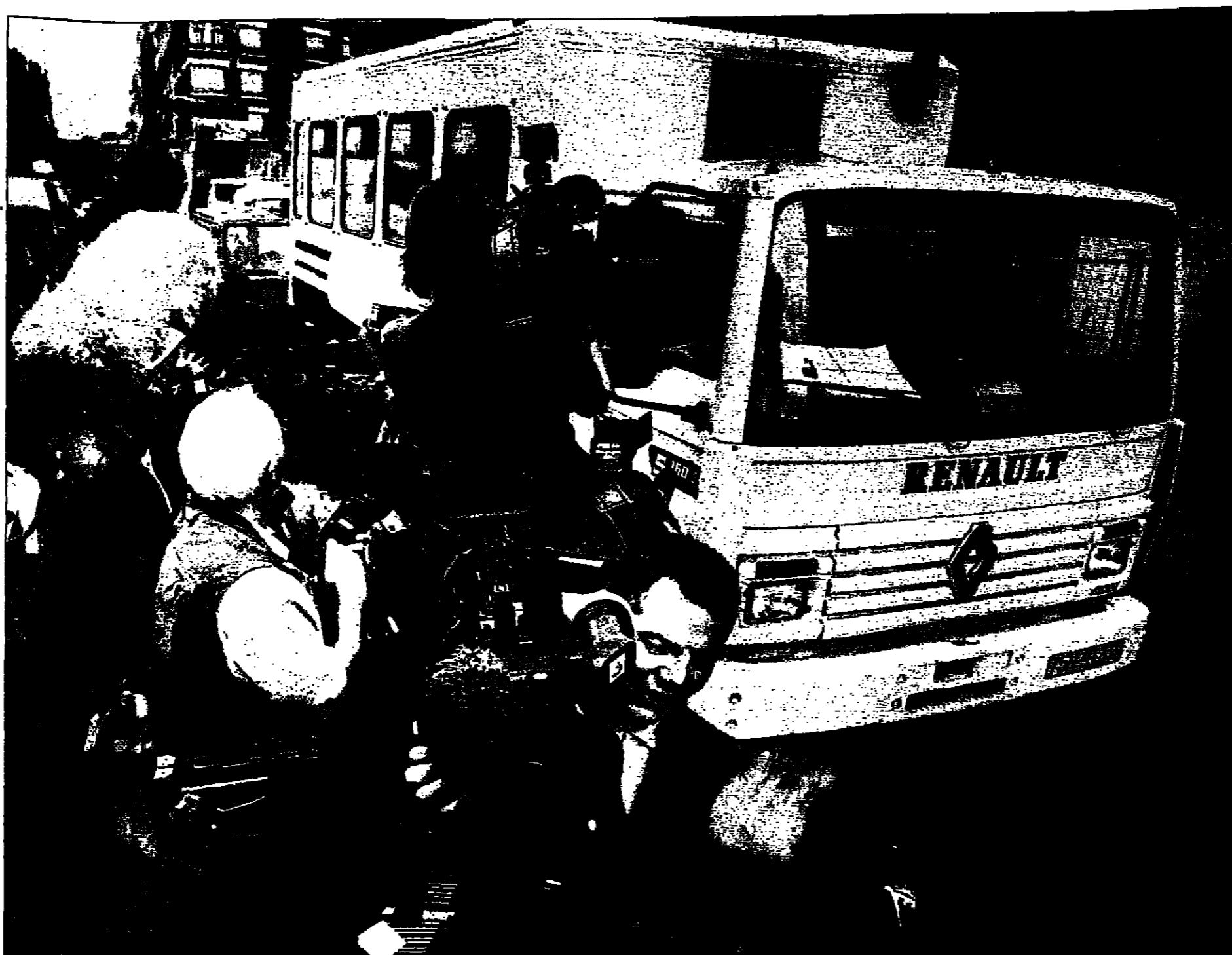
Mr Martinez, 35, although a freelance, does much of his work for the agency of Italian-born Daniel Angeli, France's top paparazzi and the man credited with taking the pictures of the Duchess of York having her toes sucked by her "financial adviser" Johnny Bryan in the south of France.

He is understood to have worked with the pack for around 15 years, but colleagues were loath yesterday to reveal more details. A photographer friend of Mr Martinez said that he personally had received death threats after appearing on television discussing the work of the paparazzi. "Someone telephoned the agency and threatened to kill me," he said.

The friend was alarmed that although the chauffeur had been shown to be drunk, the paparazzi were still being blamed. "The damage has been done. The judge has heard of the paparazzi now." Asked whether Angeli's agency knew anything of Mr Martinez's involvement in Sunday's crash, the friend gestured towards the room where the hearing was taking place, and said: "The only person who knows is in there."

Mr Martinez's lawyer is one of France's leading advocates, Gilbert Collard, who is based in Marseilles, but Mr Collard had sent a representative to the hearing yesterday.

Romuald Rat - who has, un-



Reporters crowding round a police van just before it entered the Palais de Justice where the photographers were being questioned yesterday

Photograph: Gael Cormier/AP

surprisingly been christened Roland Rat by British journalists - is about 30 years old and lives modestly in Montreuil-sous-Bois, just outside Paris. He works mainly for the Gamma agency and is regarded as an experienced paparazzi.

Many were surprised to discover the name of Jacques Langevin, 40, among those held. Not a paparazzi, he is most

represented by Jean-Marc Coblenze, the lawyer also speaking for Stephen Darmon, who works as a driver for Gamma, and also for Serge Arnal, a freelance.

Nicolas Ansor, who is aged about 30, works for the agency

widely known for his award-winning pictures of the Tiananmen Square massacre in Peking. He was working for the agency Sygma on Sunday but formerly worked for the international news agency Reuters. Hubert Henrotte, a director of Sygma, has said Mr Langevin had nothing to do with what happened and had never been one of those photographers involved in chasing personalities. Unlike the diehard paparazzi, who travel on motorbikes, it is understood that he was travelling in a car.

Sipa and is known as Nico.

Serge Arnal, 35, is a freelance well known around the glitzy nightlife of Paris and at the annual Cannes film festival. Lazlo Verez, 48, is also a freelance who normally deals with newspapers and magazines directly and not through agencies.

The seventh person held for questioning, according to lawyers at the Palais de Justice, was Stephen Darmon, 30, who acted as a driver for the Gamma agency. Many agencies employ drivers to get their pictures away while the photographers continue working.

Police say lensmen were malignant

John Lichfield
Paris

A leaked police report gave a chilling account yesterday of the behaviour of press photographers in the minutes after the car carrying the Princess crashed on Saturday night.

The report, written by two of the first police officers on the scene, described the photographers as "malignant and obstructive". It said several paparazzi pushed aside police who were trying to aid the victims, accusing them of getting in the way of their cameras.

The report, leaked to RFI radio, quotes one photographer as saying to the police: "You make me shit. Let me do my job. Even in Sarajevo the cops let us work. Wait until someone's fired at you, then you'll see."

The officer's account forms part of the evidence which led to preliminary charges yesterday against seven press photographers for failing to assist accident victims. Police and prosecutors have drawn up a 350-page dossier on the events which led to the crash in the early hours of Sunday morning and the disturbing scenes which followed.

Among other things, this dossier appears to reject suggestions that the crash was caused directly by the pursuing press pack. Several witnesses have told police that they saw the Princess's car "flanked by bikes" just before the accident and that one bike was zig-zagging ahead of the Mercedes when it collided with pillar in an underpass.

But, according to press leaks and lawyers for the photographers, these accounts have been rejected in the dossier as not fitting the main body of evidence. Police believe that the press posse was 100 to 200 metres behind the limousine when it crashed.

Nonetheless, the prosecutors believe there is *prima facie* evidence that the photographers' behaviour that night led to the accident in more general sense. For this reason, an examining magistrate was asked yesterday to continue the inquiries and was expected to place seven photographers under formal examination for, among other things, manslaughter. Lawyers for the photographers rejected these charges as "theatrical" and intended to please the French foreign ministry, under pressure from the British government and public opinion. The lawyers predicted that the examining magistrate, Hervé Stephan would not be able to make the manslaughter charges stick.

The charges of failing to assist at an accident under the French "Samaritan" law may be a different matter, however.

French justice a labyrinth quite different from British system

The French way of justice is as bewildering as the British system - but bewildering in different ways.

The seven photographers charged with manslaughter following the death of Princess Diana were technically not charged at all: they were *mis en examen* or "placed under formal examination". This is, in theory, a preliminary stage to being actually charged with an offence.

The main point of difference with the British pattern of justice is the role of the *Juge d'instruction* or examining magistrate. Unless there is a clear and unarguable case to answer, the public prosecutor's office (the *parquet*) appoints an examining magistrate to decide whether a case should be pursued or not. From that point, the magistrate, not

the police, leads the investigation. He assembles evidence, interviews witnesses and reconstructs the scene of the alleged crime.

Depending on the seriousness of the case, he can keep a suspect in custody for up to six months.

If he decides that there is possible case to answer, he places the accused under examination. If he concludes, after completing his inquiries, that there is no basis for a charge, he declares a *non-lieu* - he drops the case. If he believes the accused should be tried, he formally sends the case on to the courts. Under the French system, this is, properly speaking, the stage when someone is legally charged.

John Lichfield

Driver of crash car known to have a drink problem

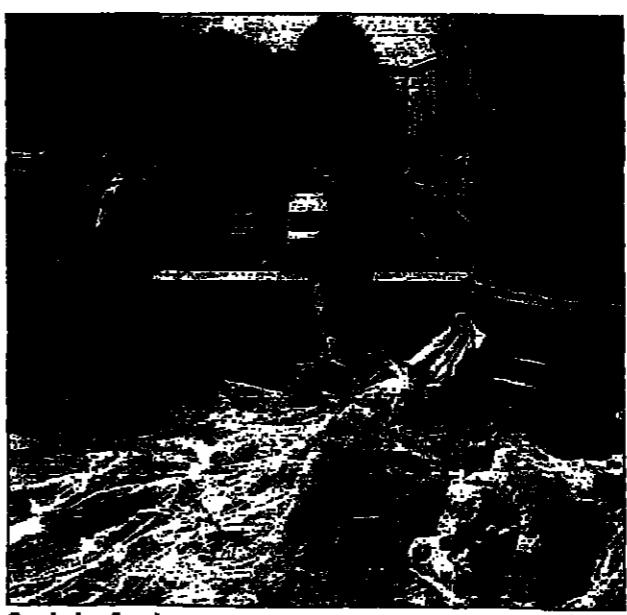
The driver of the car in which the Princess of Wales died was known to have had a drink problem but appeared to have conquered it, according to staff at the Paris Ritz, writes John Lichfield.

But one unnamed hotel employee told the French newspaper *Liberation* that Henri Paul, 41, had arrived at the Ritz, which is owned by Mohamed Al-Fayed, on the night of the crash "over-excited and drunk as a pig". A second medical test has put the level of alcohol in his blood that night even higher than the first estimation, at 187 milligrams per 100 millilitres, nearly four times the legal limit. This is equivalent to about one and a half bottles of wine.

A chauffeur outside the hotel yesterday said: "Monsieur Paul", a hulking former air-force pilot, was a familiar and well-liked figure. "A couple of years ago, yes, there was a problem," he said. "But we were all told he was drinking no more."

Another unnamed Ritz employee gave a similar story to *Liberation*. "He went on the wagon a year ago," the employee said. "A couple of days ago, at a reception for a housekeeper who was leaving, he drank nothing but orange juice."

However, another Ritz worker told *Le Parisien*: "You can't say that he was a boozier."



Symbols of sadness: Floral tributes mounting up on the bridge above the tunnel in Paris

Photograph: AP

There was a problem. But we were all told he was drinking no more

The problem, he said, was that Monsieur Paul had gone home but had then been summoned back to the hotel by Dodi Fayed personally. "It all happened so quickly ... Dodi was the son of the owner and it was an order."

Mr Paul had worked at the hotel for 11 years as deputy head of security. Staff said that he loved to be seen, and photo-

graphed, with the stars who stayed at the hotel and prided himself on remembering their tastes and foibles. He was also well known to the press photographers who haunted the Ritz and often joked with them.

It was alleged again yesterday by a photographer, in an interview with a German newspaper, that Mr Paul had issued a kind of dare or challenge to the assembled paparazzi on Saturday night. "He said: 'you won't catch us tonight,'" said the unnamed French photographer, apparently one of several who fled the crash scene.

A Briton, Mr Paul loved to return to his native province at weekends, where he would fly private aircraft and sail. Although he was not a professional chauffeur, he had been on specialist driving courses organised by Mercedes and was often asked to drive VIPs - including, on at least one previous occasion, Dodi Fayed and the Princess of Wales.

Although all witness accounts agree that he was driving at enormously high speed at the time of the accident, the Parisian public prosecutor's office yesterday denied reports that the speed at the time of impact had been pinpointed at 196 kph (121 mph). Expert estimations, based on the extent of damage to the armoured-plated car, put Mr Paul's speed at 90-100 mph.

Junket inquiry council admits failings

Christian Wolmar
Westminster Correspondent

A local authority under police investigation for alleged corruption has admitted to an extraordinary series of failings by councillors and senior officers.

A highly self-critical report by two senior council officers of Doncaster council lists wide-ranging failures by their colleagues and councillors in the Labour-run authority.

The report will stimulate Tory criticism of sleaze in Labour's own back yard and suggests that future inquiries into the affair will be deeply damaging. While couched in bureaucratic language, the criticism is of a strength rarely seen in local government reports.

The inquiry team, led by the legal services director, Judy

receipt of gifts and hospitality on the part of some members and officers" and "a failure to comply with rules on this and on declarations of interest".

While the investigation started over allegations of junketing, it has spread to cover more serious abuses of the planning process. In this respect, both members and officers had fallen short of the "highest standards of conduct".

The report's authors add: "There is also strong evidence of undue influence, of oppressive behaviour by some members towards officers and/or fellow members ... seeking to influence proper process."

This was a breach of the National Code of Local Government Conduct, the report says. The failure to observe these procedures has "contributed to fundamental problems ranging from breaches of standing orders to alleged criminal activity". There was also a "lack of openness".

The report recommends action including setting up a committee to "address issues of probity and good practice", the recruitment of a chief internal auditor, the introduction of a whistleblower's charter and mandatory training for councillors on "planning law, procedure and the decision-making process".

Malcolm Glover, who became leader of the council after his predecessor, Peter Walsh, was alleged to have gone on unauthorised council trips, said: "The council is currently facing the closest scrutiny in its history and this report and its proposals will help us take the necessary steps required to repair our image."

Doncaster is also the subject of inquiries by the district auditor and the Labour Party which has suspended five councillors and the district party.

The report singles out "some members and some senior officers", in particular the former chief executive, Doug Hale, and the former finance director, John Smith, both of whom have now left the council. It finds several instances of "inappropriate

There were inappropriate receipt of gifts and hospitality and a failure to comply with rules'

Rolston, and the social services director, Ian Cartwright, says that for several years "certain aspects of the management of the council, by a number of members and senior officers, has not operated effectively to determine policy, set standards and promote proper and effective decision-making".

Moreover, "checks and balances which should have safeguarded the council have often not done so".

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The report's authors add:

"There is also strong evidence of undue influence, of oppressive behaviour by some members towards officers and/or fellow members ... seeking to influence proper process."

This was a breach of the National Code of Local Government Conduct, the report says. The failure to observe these procedures has "contributed to fundamental problems ranging from breaches of standing orders to alleged criminal activity". There was also a "lack of openness".

The report recommends action including setting up a committee to "address issues of probity and good practice", the recruitment of a chief internal auditor, the introduction of a whistleblower's charter and mandatory training for councillors on "planning law, procedure and the decision-making process".

Malcolm Glover, who became leader of the council after his predecessor, Peter Walsh, was alleged to have gone on unauthorised council trips, said: "The council is currently facing the closest scrutiny in its history and this report and its proposals will help us take the necessary steps required to repair our image."

Doncaster is also the subject of inquiries by the district auditor and the Labour Party which has suspended five councillors and the district party.

The report singles out "some members and some senior officers", in particular the former chief executive, Doug Hale, and the former finance director, John Smith, both of whom have now left the council. It finds several instances of "inappropriate



Restoration play: Enjoying croquet at Jacobean Chastleton House in Oxfordshire, which after years of work has been returned to its pre-Civil War state

Photograph: Tom Pilston

Back to life: the house where time stood still

Stephen Goodwin
Heritage Correspondent

One of England's most complete Jacobean houses opens to the public next week after a £3.2m scheme to stop its decay turning into dereliction.

To say that the National Trust has "restored" Chastleton House, in north Oxfordshire, would be to belittle six years of sensitive work done by specialists and craftsmen. They used as light a touch as possible on the house which, until six years ago, was owned by the same family that bought it in 1602 from Robert Catesby, who was later the mastermind of the Gunpowder Plot.

Much of the furniture and fittings from that period are still at Chastleton, and, apart from the weathering of its Cotswold stone, the exterior of the house has barely changed. It stands by a 12th-century church, down narrow lanes wrapped in a gentle breath of decay.

Only one event of any significance occurred at Chastleton, but from it stemmed the family's poverty and, paradoxically, the house's preservation.

In 1651 Arthur Jones, the grandson of the man who bought the house from Catesby, fought alongside Charles I at the Battle of Worcester. After their defeat, Jones fled the house and, with Cromwell's men in hot pursuit, hid in a secret room over the porch.

Having found Arthur's exhausted horse in the stable, the Commonwealth soldiers thought

that they had their man cornered and demanded supper and a bed from Jones's wife, Sarah. She drugged their ale with laudanum, and, while they slept, Arthur escaped on one of his enemies' horses.

Arthur Jones celebrated the Restoration by planting two oak trees at Chastleton which still survive. However, the family never recovered financially from the fines imposed on them as Jacobite sympathisers.

When the trust took over the house with the aid of grants from the National Heritage Memorial Fund, snow blew from end to end of the barrel-vaulted Long Gallery, one of the finest rooms in England, and the furniture

was beetle-infested. Even today, the tapping of the death watch beetle can still be heard in the timbers. In the gardens, lawns have been reinstated as they were when the rules of croquet were codified there in 1865.

The house and gardens will open on 9 September. There is a ticket system intended to limit numbers so that visitors can savour the timeless tranquillity which is Chastleton's special quality.

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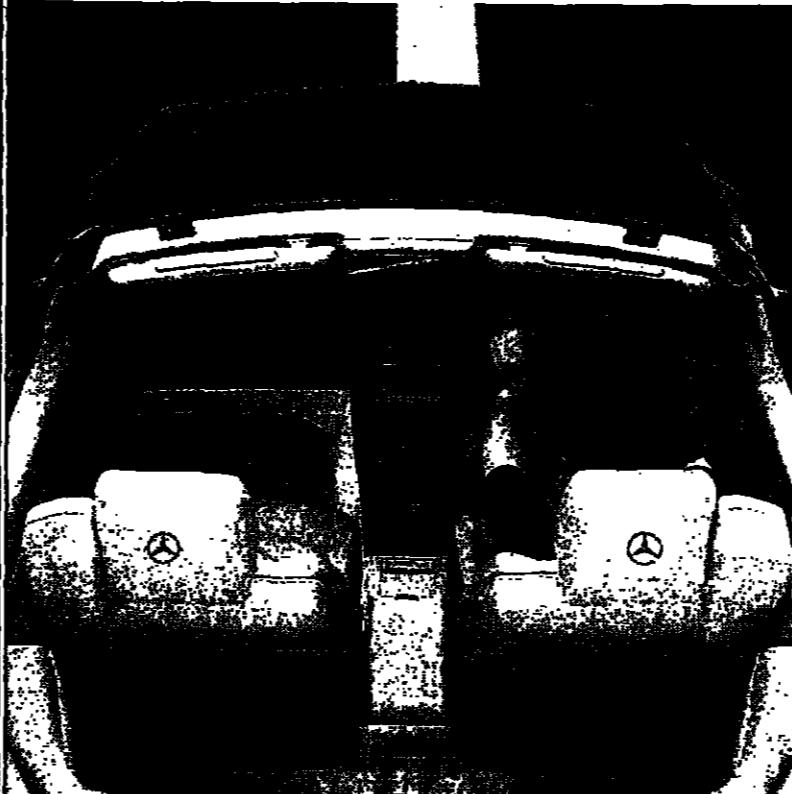
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news

Scots' support for tax powers falls below 50%

Fran Abrams
Political Correspondent

Support for a Scottish parliament with tax-raising powers has dropped below 50 per cent for the first time, according to a poll published yesterday.

The survey for the *Glasgow Herald* newspaper showed 47 per cent of Scots likely to vote "yes" on the tax question in the 11 September referendum, 7 per cent less than a similar poll a month ago. Thirty-two per cent said that they would vote "no".

A clear majority are still in favour of the setting up of the parliament, however, with 61 per cent saying they would vote "yes" and 23 per cent saying "no".

Although the figures still show that a clear majority of those who have decided will vote "yes", there was disappointment among campaigners for the parliament yesterday.

Recent polls, including some carried out privately for the Scotland Forward pro-devolution group, have shown a slow erosion of support for their cause.

The number of people undecided on the tax question rose in yesterday's poll from 19 per cent to 21 per cent, while those undecided on

whether they wanted a parliament at all remained the same at 16 per cent.

There was further dissent over the referendum yesterday as Tam Dalyell, the long-time anti-devolutionist and MP for Linlithgow, called for the vote to be delayed. He told BBC Radio 4's *World at One* programme that because of the suspension of campaigning until after the funeral of Diana, Princess of Wales, on Saturday, people would not have had enough time to make up their minds.

"This gives us precisely four days, three if you don't count Sunday, and for such a crucial decision there should be a longer campaigning time," he said.

The referendum could easily be postponed until May or June next year, he added.

Donald Dewar, the Secretary of State for Scotland, said on the same programme that the referendum would go ahead as planned, and he argued that the technical difficulty of recalling Parliament to stop it would be "formidable".

"I think people in Scotland are very well aware of the issues. We have had a very sad and tragic week but I think people will be able to move on from that ... they will be many people who are still undecided," he said.

doubtedly an important vote and make their voices heard and their views known," he said.

Mr Dewar said that he had thought hard about the possibility of delay, but did not think the Scottish people were "so unsophisticated" that they could not grieve for the Princess as well as consider the issues involved in the devolution debate.

"I think people will want to get a decision taken. I think it is time for that decision after all these years of debate."

"I think the feeling of uncertainty and anticlimax would in fact be regretted afterwards if we didn't push ahead," he said.

"I think it would be wrong, in fact, to call all this off and to start all over again at some uncertain, indeterminate future date. I think Scotland wants to make up its mind now."

The campaign had been longer than was normal in a general election, he added, and if the vote was put off it would have to be delayed for some time.

The national organiser of Scotland Forward, Paolo Vestrini, said that the fall in support shown in yesterday's *Glasgow Herald* poll was disappointing. "However, there are many people who are still undecided," he said.



Sitting in judgement: Jazz singer George Melly (in stripes) joining the jury for this year's John Moores exhibition, which opens at Liverpool's Walker Art Gallery on 7 November. The winner of the £20,000 prize will be announced on 5 November. Photograph: Craig Easton

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Tough new rules to stop dumping of oil rigs at sea

Nicholas Schoon
Environment Correspondent

The Government yesterday announced tough policies to curb marine pollution, which it claimed, reversed previous Tory policies and put pressure on other European nations to clean up the North Sea.

The move, announced at the start of international negotiations on sea dumping, were warmly welcomed by the environmental group Greenpeace which had been closely consulted by the environment minister, Michael Meacher.

The Government wants further curbs in the levels of nuclear waste discharges from Britain's two nuclear reprocessing plants, Sellafield in Cumbria and Dounreay at Caithness.

Redundant oil and gas rigs

would be brought back to land.

Mr Meacher also announced that industrial pollutants would

have to be curbed to the point

where levels of any synthetic,

man-made chemical in the oceans would be "close to zero".

That meant a complete phase-out of any hazardous

pollutants "within a generation" – taken to mean about 25 years.

Britain would never seek to

dump any solid nuclear waste at

sea, he added. The last govern-

ment had also agreed to an

international ban on dumping

nuclear waste at sea lasting at

least 25 years, but had wanted

the option of reviewing this

commitment after a scientific evaluation scheduled for 2019.

There had been speculation that Britain might want to dump parts of its decommissioned nuclear submarines at sea in the long-term future. The Ministry of Defence yesterday confirmed the vessels – 11 have already been decommissioned – would be disposed of onshore.

Officials from the Department of Environment have explained the new policy at a meeting in Brussels this week of the Oslo Paris Commission (OSPAR), a 14-nation body which regulates dumping and pollution in the north-east Atlantic.

Mr Meacher said on BBC Radio 4: "This is the most important change in UK marine policy for at least a couple of decades."

Greenpeace UK executive director Peter Melchett said: "The UK Government is, for the first time, giving British industry a clear, positive and accurate signal about the long-term need to stop polluting our seas."

Police find explosives after blast kills man

Tony Heath

Dyfed Powys CID said yesterday evening: "The explosives were unlawfully obtained. We have no knowledge of them being distributed."

The two men are known to

the police but had no reason to

be handling explosives. At this

stage there is no indication of

any terrorist link whatsoever.

The blast occurred shortly before 10pm on Monday night prompting a massive police operation which continued throughout yesterday.

The area remained cordoned off with scores of police officers, fire brigade and ambulance personnel and army bomb disposal experts on stand-by.

Police are liaising with the

military in an investigation

which is expected to take a considerable time.

The explosives, in eight inch

long and one inch wide sticks,

were wrapped in white grease-

proof paper.

Mr Thomas displayed one stick at a news conference in Brecon Police Station and remarked: "Just two of these caused the explosion which virtually demolished number 8, Douglas on Monday night."

Several houses on the Bryn Crug estate, where the explosives were found, were evacuated after the blast. The house itself is about 400 yards from Brecon Barracks the headquarters of the army in Wales.

Police identified the man who died on Monday night as 30-year-old Andrew Cridland.

The wrecked house was being demolished yesterday evening after Mr Cridland's body had been recovered from the ruins.

Adams finds US muted

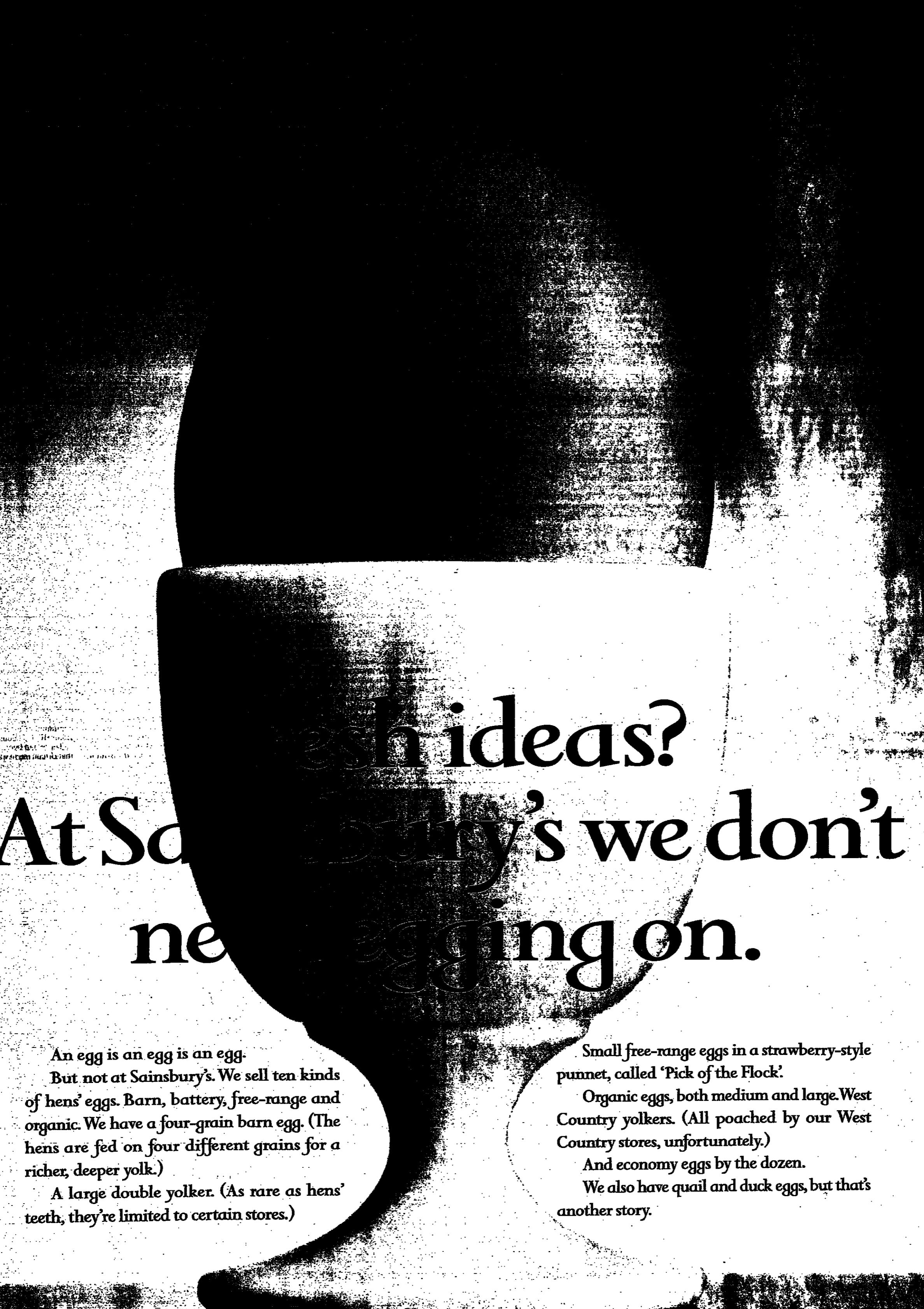
Mary Dejewsky
Washington
and David McGarick

Gerry Adams, the leader of Sinn Fein, arrived in the United States yesterday for his first visit since the breakdown of the IRA ceasefire last February, basking in the British Government's decision to invite Sinn Fein's representatives to join the all-party talks on the future of Northern Ireland.

a more pro-British mood than almost any time in recent years.

Many of Mr Adams' official engagements in the US – two days in Washington and one in New York – are with republican sympathisers or the media. He is, however, expected to meet the National Security Adviser, Sandy Berger, who has been the main point of liaison between the US and British governments over Northern Ireland.

J. Sainsbury



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international

Cook's opium war broadside backfires

Richard Lloyd Parry

The risks of the Labour Party's new "ethical" foreign policy have been dramatically illustrated with the threat of a boycott of a summit meeting in London by Asian countries determined to show solidarity with the military government of Burma.

The threat was made by the Prime Minister of Malaysia, Mahathir Mohamad, hours after a blistering attack on the Rangoon regime by the British Foreign Secretary, Robin Cook. Dr Mahathir said members of the Association of South-East Asian Nations (Asean) may not turn up to the second Asia-Europe Meeting, due to be held next April in London, if Britain refuses a place at the table for the Burmese junta.

"If there is discrimination against Myanmar [Burma], it is a discrimination against Asean," he said in Kuala Lumpur late on Monday night.

Earlier in Singapore, Mr Cook rounded off a five-day tour of South-East Asia by criticising Burma's State Law and Order Restoration Council (Slorc) as "not only a deeply repressive regime, but... also a deeply irresponsible regime" for its suppression of democracy and its collusion in the drugs trade. He said the common European policy of denying visas to members of the Slorc made it "impossible" for Burma to attend the Asia-Europe

Meeting, which has hitherto brought together the EU, Asean, Japan, China and South Korea.

Despite vigorous opposition from Europe and America, Burma was formally admitted to Asean in July. But British diplomats say this does not automatically entitle it to a seat at the table in London. It seems Dr Mahathir's comments mark the opening salvo in what will be an increasingly tense battle



Mahathir: Attack on Burma is an attack on Asean

in the run up to next spring's meeting. "The swords are being drawn," said one diplomat. "Malaysia is saying, 'We would never dictate whom you bring to the table - why should we be dictated to by you?' The problem is not going to go away."

Mr Cook met with Dr Mahathir last week, though the Foreign Office was unable to say yesterday whether the ques-

tion of Burma's attendance at the London meeting had come up directly.

Any boycott of the London meeting would be a devastating blow for relations between Europe and Asia but, for the moment, such an outcome appears highly unlikely. Dr Mahathir has a reputation for provocative sound-bites (the recently described the currency speculator George Soros, as "a moron", after the Malaysia ringgit sank sharply on the exchanges) but he is a respected figure within Asean, with a disdain for what he regards as Western preaching on human rights issues.

Among the other Asean countries, Vietnam has already indicated its support for the Malaysian position, and the question is likely to dominate a meeting in Luxembourg next month of senior officials from Europe and Asia.

Any sign of a climb down over Burma would be damaging to Mr Cook's credibility after the strong line he has adopted over human rights, and which he emphasised throughout last week's trip. A Foreign Office spokesman yesterday ruled out any compromise. "The Foreign Secretary said what he said. If there was a complete U-turn within Burma, we'd be in a different situation," he said. "For quite some time now we've been pressing them to change their ways, but there is no evidence they've paid any heed."



Opium traders on the Burmese-Thai border: Robin Cook has accused Burma's government of collusion in the drugs trade. Photograph: Camera Press

'I have not backed down on human rights'

Robin Cook tells Steve Crawshaw of his hopes for democracy in South-East Asia



Cook: 'Pressure only works if it is part of a co-ordinated effort'

"Cumulatively, each of these滴-drops wears away at the stone of resistance." Thus Robin Cook sums up the hoped-for effect of his four-country tour of South-East Asia, which ended with his return to Brize Norton in the early hours of yesterday.

In an interview on board his RAF VC10 from Singapore, Mr Cook argued that Britain cannot do it alone: "The pressure we apply on a country like Indonesia will only work if it's part of a co-ordinated pressure from other countries." Certainly, there are no miracles on the horizon. The government in Indonesia was hardly rocked to its foundations by Mr Cook's visit. Instead, the Indonesian Foreign Minister talked suavely of "concrete co-operation" between Britain and Indonesia, "especially in the field of human rights".

In Malaysia, implied criticism of the government's stance on human rights was firmly rejected. Malaysia's determination not to be pushed around became even clearer yesterday, when it defied Mr Cook by insisting – as reported above – that Burma should come to the Asia-Europe Meeting (Asem) in London next year.

In Singapore, where press freedom is an important and controversial issue, Mr Cook appeared only to have raised the matter with his hosts after journalists asked about it at his final press conference.

In other words, this was not a trip of grand confrontation. Mr Cook studiously avoided saying the kind of things which might make him persona

non grata. This can be perceived as weaselling out – or as playing a long game. Mr Cook believes that "it is a question of finding a balance", and insists it is better not to seem to wield a big hammer. "What I said on human rights was listened to, because it was not a lecture... I would strongly contest the suggestion that I've backed off in any way," he told *The Independent*.

He is determined that the issues of trade and human rights should not be seen as an either-or. Mr Cook seemed close to bottling out of direct confrontation at some points – as though he had been Sir Humphrey out of his proclaimed commitment to human rights. And

yet, historical comparisons make it clear that the trip cannot be written off as irrelevant grandstanding, or as pinpricks in an elephant's hide.

In 1975, the Soviet Union signed up to a raft of human rights guarantees – and then ignored those commitments. At the time, the Helsinki accords were regarded by many in the West as a cop-out, because the West had no way of forcing Moscow to comply. In reality they provided a benchmark which helped the democratic opposition throughout the subsequent decades. The commitments were modest, but laid the foundation for enormous change in the years to come.

There is no certainty that Mr

Cook's mission will seem successful. It is also clear the most difficult challenges are yet to come. On Saudi Arabia, for example – a rich and powerful ally, whose track record on human rights makes Indonesia seem a democratic nirvana – Mr Cook faces a difficult task. After all, he points out, he has only just finished a trip to South-East Asia: isn't that enough? One of these days, however, he will have to comment. It will not be easy.

Mr Cook himself is upbeat about the future, because of the experience of recent decades. "When I was young, Latin America was all military dictatorships. Now, it's democratic Africa, ditto. In the Philippines, it's just 10 years since it was trans-

formed." The same kind of change, he believes, could come to Indonesia and other countries in the region.

"I think it is particularly important to apply these constant pressures to the next generation who are likely to take over [from 76-year-old President Suharto] – so that they understand that if they want an outward-looking Indonesia, they have got to adopt a different style."

Mr Cook was scathing about the "easy apocalyptic" assessments of the south-east Asian tiger economies. The region's markets have gone through enormous turbulence in recent days and weeks.

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Volcano isle gets building plan and Short visit

Phil Davison

The islanders of Montserrat call her 'The Golden Elephant Lady'. As well as a few less publishable nicknames. But 'The Golden Elephant Lady' is going to enter the lion's den.

Britain's International Development Secretary Clare Short, who accused the remaining residents of the volcano-ravaged British Caribbean colony last month of trying to squeeze money out of Britain - "they'll be wanting golden elephants next" - will visit the island later this year to see their plight first hand.

Her deputy, junior minister George Foulkes, made the announcement of her forthcoming visit yesterday at the end of a two day visit to Montserrat. In an about-turn from Ms Short's earlier policy, which appeared to encourage islanders to leave, Mr Foulkes also announced a five-year sustainable development plan to re-build battered Montserrat in the 12-square mile northern safe zone where almost all remaining 4,000 Montserratians have moved.

The southern two-thirds of the island, including the devastated capital Plymouth and surrounding villages where most islanders lived, has been largely swamped by the volcano's pyroclastic flow of red hot ash, gas and rock and abandoned.

Under the plan, a £5.5m programme to build 250 emergency houses for refugees will go ahead "at full speed" on Lookout Hill, according to a joint statement made by Mr Foulkes, British governor Frank Savage and local government Chief Minister David Brant.

The housing project had previously been frozen.

The one remaining hospital, at Gerald's Park, which was threatened with closure, will now be upgraded as will roads, water and power systems "at the maximum possible speed", the statement said. Over the next six months, Britain would draw up the sustainable development plan "to provide the level of services and infrastructure appropriate to the needs of the community" over the next five years, including help for small-scale businesses.

Priority would be given to transport links, apparently referring to the possibility of a new airstrip. In the long-evacuated danger zone. At present, people come and go to the island of Antigua on a small cruise boat or a nine-seat helicopter.

A scheme to give islanders low-interest mortgages to build their own homes would also be launched, the statement said.

Britain pledged to "play its part" with regional and international banks and financial institutions to restore confidence in the financial sector and in the future of Montserrat.

The about-turn by Ms Short's department made likely she would receive at least a polite welcome here, something that would have been unlikely after she accused the islanders of whinging. "It's good she's coming," said Donna Emmanuel, a longtime American resident who has been fighting for the redevelopment of the island. "She may get hanged in effigy but it's good she's coming."

"The sooner she goes the better," page 17



Fish out of water: Fishermen bring in their catch of hilsa fish from the mouth of the River Ganges in India. The catch is especially good this year because high monsoon tides have brought more fish than usual to spawn in the fresh waters of the Ganges

Photograph: AP

Comoros troops ready for battle

Moroni (Reuters) — Preparations by the army in the Comoro Islands to end a secession by force seemed to gather pace yesterday when some 300 soldiers left the capital, Moroni, apparently on their way to Anjouan. Moroni residents said telephone lines between Moroni and the islands of Anjouan and Moheli appeared to have been severed.

The soldiers sailed on board two ships they seized on Monday. The captains of the ships had originally refused to sail overnight. Comoran authorities earlier told an envoy of the Organisation of African Unity (OAU) that the troops at Moroni port were simply going on manoeuvres.

But speculation about a military intervention has grown on Grande Comore, largest of the three-island group in the Indian Ocean that forms the Federal Islamic Republic of the Comoros.

Some passengers said they had seen the deployment of heavy weapons on the island by secessionists. They reported ordinary people as being in a festive mood in Mutsamudu, Anjouan's main town. "Many people are singing and dancing in the streets of Mutsamudu — they seem eager to fight the Comoran army," one passenger said.

Gold turns Turkish villagers green

Christopher de Bellaqe
Bergama

Environmentalists in Turkey are a lonely lot. Governments know that links lead to be more interested in getting a job than saving the earth. Environmental issues are skirted by politicians of all hues, and Turkey's motley Green Party recently closed down. To add to the gloom, when a court recently ordered a controversial power station, plonked by a pine-clad Mediterranean bay, to suspend operations, the decision was overruled by ministers in Ankara.

Prospects for green-minded Turks are brightening, though. At

Bergama, 20 miles inland from the Aegean coast so beloved of European holidaymakers, an alliance of farmers, local politicians and friendly media companies is propelling Turkey's first environmental movement. The villagers are executives at Eurogold, a company formed by Canadian, French and Australian backers - to exploit Turkey's still untapped gold reserves. The issue is cyanide which Eurogold wants to use to recover the gold from heavy metals which lie around it.

Eurogold may have been unlucky to hit on gold on the lip of a valley - at Ovacik, 10 miles from Bergama - full of villages. They were downright

foolish, though, to neglect public relations - a mistake, opponents argue, they would not have made in western Europe. Foremost among these opponents is Sefa Taskin. Bergama's impish mayor has cleverly donned green, and persuaded local farmers' pester deputies in Ankara and parade through Bergama in their underwear to publicise their cause. Villagers too lazy to join in have been yanked into line by decidedly emancipated wives. The campaign is now so fashionable, a group of Volkswagen Beetles owners is supporting it.

For all the protest's unexpected modishness, though, it was only recently that Mr Taskin

scored his first major victory. In May, a court in the capital recommended that Eurogold's mining permit be revoked on environmental grounds. While both sides wait nervously for a local court to accept or reject this recommendation, Eurogold's investment - \$30m to date - has begun to look unwise. To all except Eurogold, that is; armed with permits from no less than 12 ministries, the mining company is busy developing its site. Eurogold insists that the mine at Ovacik will be operational before the end of this year.

The inhabitants of Camkoy,

half a mile from the barbed wire surrounding the site, are equal

ers being politics and economics. According to a lawyer working on behalf of the farmers, the area boasts 5,000 "militants" prepared to stop the mine starting production. This, understandably, does not cheer Turkey's new government which likes mining and votes it roughly equal measures. Ministers worry that, should the local court shut the mine down Eurogold will open a big compensation suit, and others will be put off from entering Turkey's fledgling gold mining sector. While Ovacik waits for its cyanide, and the mining industry for the court's verdict politicians - both local and national - are holding their

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fashion

After a hard day at work, it's time to cast off the jeans and T-shirt and put on a much-loved suit. Tamsin Blanchard meets the men who dress up to relax. Photographs by Sheridan Morley



Above: Blue pinstripe suit, jacket, £105, trousers, £54.99, by Next, Oxford Street, London W1, and branches nationwide (enquiries 0116-284 9424); camel shirt, £39.95, brown tie, £25, both by Jigsaw Mens, Floral Street, London WC2, Kings Street, Manchester, East Street, Brighton (enquiries 0171-240 5651)

Right: Chocolate pinstripe suit, £295, by Jigsaw, as before; chocolate brown shirt, £25 by French Connection, Regent Street, London W1, Eden Walk, Kingston (enquiries 0171-399 7200); chocolate and cream tie, £25 by Dolce & Gabbana, available from Harvey Nichols, Knightsbridge, London SW3; black leather shoes, £44.99, by Next, as before

Out of the office, into the suit

You don't need to look square in a suit. Some men see their two lapels, three buttons and matching trousers as a rigid uniform for thankless days of nine-to-five toil.

Others take a more enlightened view. Men who don't have to wear a suit as part of a daily uniform are often the ones who enjoy wearing one as a form of dressing up. A great suit can be the male equivalent of a ballgown.

Dominic Butler, a 30-year-old graphic designer, says he doesn't wear a suit to work because it wouldn't be comfortable. He wears jeans, trainers and casual shirts. Nevertheless, he is the proud owner of four suits, one from Agnes B, one from Jigsaw, an old one from Cerruti, and - his most recent buy - a two-piece made to his own design by a tailor in Bangkok. He wishes he had had more made. "It's got a short jacket, short lapels, and narrow trousers in wool, and I'm looking forward to wearing it for winter," he says.

Butler wears his suits to weddings, posh dinners and launch parties, and on Valentine's Day. It is a way of showing off, taking on a different persona to his everyday look.

Steve Wood, a 30-year-old engineer, loves wearing a suit, but practicalities dictate that he wears jeans and a T-shirt to work. He has an eye for a second-hand Forties drapesuit with narrow trousers and lapels. "Those old suits change your shape," he says. "They make your legs look really narrow, and if I wear creepers with it I look slimmer and taller."

His favourite suits include a green tartan bondage suit by Vivienne Westwood, bought in the early Eighties and still worn and loved. He is in the process of having an old 1950s suit copied by a Soho tailor in mohair.

Steve Wells, a 31-year-old product development scientist who works in the United States, says it is frowned upon in big corporations like his to wear a suit and tie to work. "Business dress means a shirt and tie," he says. "If you wear a suit, it's considered that you are trying to outdo everyone; you're trying to be the vice-president. If you forget that it's casual Friday and come in a suit, you really stand out. People think, 'Who does he think he is?'

Wells's four suits include two by Emporio Armani, one by Next and a shiny tonic suit by Katharine Hamnett. He says he would spend up to £700 on

a suit. His most recent Emporio one cost £550.

"A suit makes you look expensive," he says. "I like having a suit fitted on me. You know that it really fits properly. Everything is exactly right."

He wears his suits to go out at night, if he is going to a dinner or party. "I could wear the Emporio suit to an interview or out to something smart without feeling stiff. If it is tailored softly, it looks relaxed and cool. If the suit is stiff and pinstriped, there's a danger you could look like you've come straight from the office."

The Hamnett is more the kind of thing you'd wear to a glamorous party. I think it's the equivalent of a woman putting on an evening dress - men are more limited. We can only wear a shirt and trousers, but if you wear a suit you look like you're going to something special."

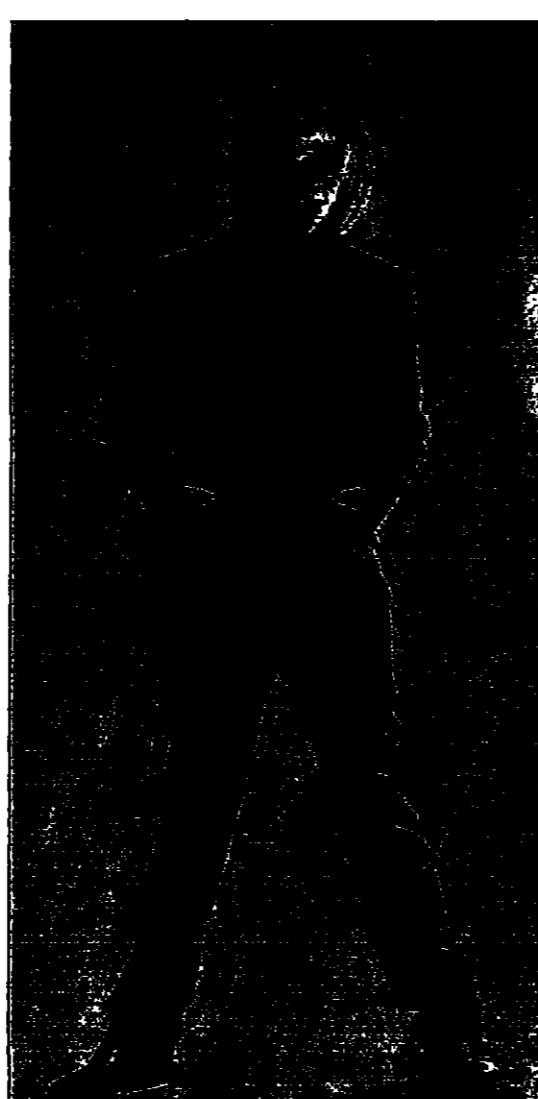
There are strict rules to wearing a suit and many men like to follow certain codes. "Really cheap nasty shoes spoil a suit, while patterned or light-coloured socks can throw it completely," Dominic Butler warns.

"Shoes are really important. I stick to the classics, like a good pair of Oxfords. Never trainers."

The right tie and belt are also important. And wearing the right suit for your body shape is another obvious rule. If you are short, you should avoid anything double-breasted and steer clear of longer line jackets. If you are tall and thin, you can get away with virtually anything. Narrow hips can wear flat-fronted trousers; long legs and you can wear the new wide-legged trousers that menswear designers are pushing for this season and next.

The best rule is to shop around and try on as many different shapes of trousers and jackets as you can. Don't be afraid to be a bit wild with your shirt and tie. And don't let some shop assistant bat her eyelids at you and tell you you look amazing. Check all views in a mirror, especially the way the jacket hangs at the back and how your bottom looks in the trousers.

And just because you happen to be going to a wedding the next day, never buy a suit on impulse. You can guarantee you'll never wear it again and you'll feel like a stuffed shirt the day. Don't think "office" and "pinstripe". Loosen your tie, take off those glasses, let down your hair and live a little.



Left: Grey suit, three-button jacket, £240, trousers, £128, by Agnès B., Floral Street, London WC2 (enquiries 0171-379 1992); navy shirt, £25, by French Connection, as before; navy tie, £25, by Duchamp, available from Harrods, Knightsbridge, London SW3, Jenners, Princes Street, Edinburgh; black shoes, by Next, as before

Right: Navy blue suit, three-button single-breasted jacket, £225, flat-fronted trousers, £125, by PS from Paul Smith, purple shirt, £35, cotton stripe tie, £45, all by Paul Smith, Floral Street, London WC2

Stylist: Sophia Neophytou
Model: Steve Wilson at Models One

Update

School uniforms without the itches

Back-to-school uniform shopping can be a nightmare. Everybody has bad memories of their own school uniforms, writes Tamsin Blanchard. Wearing it was shameful enough, but having to spend a day each August - when there were far more interesting things to do, such as going to the beach or bouncing on a space hopper in the garden - trying on shirts, blazers and horrible box pleat skirts was too much to take. I remember being dragged around John Lewis and Marks & Spencer, sulking at the thought of wearing a shirt and tie and an acrylic V-neck jumper over the top.

No doubt remembering their own school days, those clever fiber technologists at Courtaulds have had schoolchildren in mind this autumn. They promise they have taken the itch out of school jumpers with a new, improved fibre, called Courteille. It is still good old acrylic to you and me, but re-engineered to improve its "easy wear, easy care" properties. It is also softer. Unlike the old-style acrylic, new-generation Courteille kniwear is designed to retain its shape after machine washing and not go bitty and knobbly after a week's wear. Gone are the days of shaving your jumper to get rid of the bobbles. Look out for the Courteille label at John Lewis and other children's departments.



Armani opens in Bond Street

On a more glamorous note, Giorgio Armani is continuing the onward march of the world's designers opening flagship stores in London. The latest to open its doors, this Monday, is the first ever sleek, urban *Colezioni Giorgio Armani* store on Bond Street. This is a shop designed to cater for the business community rather than to fashion hounds.

If you are an Armani fan, this is the ultimate one-stop shop. Not only can you buy your corporate wardrobe, have the suit altered to fit and couriered to your office (for a small fee) in double-quick time, you can buy a suit for £595 (below right) from the men's *Le Colezioni* label (formerly *White Label*), and one for women for £495 by *Mani* (top right).

The store will also be offering a service where the season's look books will be taken into companies so you can shop while you work.

Colezioni stores will be opening around the world as the year progresses, with Manchester opening by the end of the year and Glasgow planned for 1998.

Also on sale will be accessories and two sportswear ranges: *Neve* for high-flying skiers and *Golf* for those all-important business deals on the fairway.

Colezioni Giorgio Armani opens Monday at 43 New Bond Street, London W1; enquiries 0171-491 9888



If only the royals dared weep with the people

Britain is becoming less British. The displays of grief and anger about the death of Diana have been not only mass, but impassioned, florid as well as floral, public not private. There has been crying, shouting – open displays of emotion, not private reflection. This is not how the nation popularly supposed itself to behave; we are meant to be a people of gritted teeth, suppressed feelings and stiff upper lips. The great mounds of flowers – and why, by the way, do we leave them wrapped in Cellophane, not properly open? – the clipped-out photographs from magazines, the piled teddy bears, the poems and pen messages, and the snaking, loudly conversing crowds outside the palaces ... all this seems somehow foreign to the received images of the British in public sorrow. Traditionally we think of the grave, silent faces at the Cenotaph, of military processions and of the dignified but repressed and dutiful expressions at Establishment funerals or memorial services. Compared to that buttoned-up nation, the current torrents of grief over the dead Princess seem American, or even somehow Neapolitan.

The change in public behaviour is neatly caught by the reported difference of opinion between Buckingham Palace and Tony Blair's circle at Downing Street over the right way to lay Diana to rest. All the instincts of the Windsor family seem to have been traditional,

with the emphasis sombre, dignified and vaguely military. They come from a class, as well as a family, sternly schooled in public reticence; from a culture in which it is a weakness to break down in front of strangers. The Prime Minister has consciously decided, it seems, to speak for another and younger strain in British public behaviour, which rather approves of tearfulness and finds mounds of flowers and notes moving and appropriate, rather than maudlin or common. The difference is seen in the debate about how much leeway should be given for vast crowds of ordinary people to feel involved in the funeral; who should be invited to the Abbey; and whether soldiers should be prominent in the event, or people from charities patronised by Diana. It is likely that the discussions have not been as sharp or as divided as malice reports; nevertheless, some difference of tone and instinct seems to have emerged.

If so, it is a poignant and important distinction, which says much about the task of royalty at the end of this century. It is easy to see a repressive, Victorian hauteur in the Windsors' reliance on sombre pageantry which contrasts not only with Diana's thoroughly contemporary tastes, but also with the instincts of the millions of her mourners. They have learnt to let it all hang out. They are not ashamed of tears and have built flimsy, touching shrines which would have meant vastly more to her than

ceremonial guards or intoning archbishops. They would not have sent their bereaved sons to ordinary Sunday church services. Their emotional expectations are a world away from the self-deprecating and contorted dignity of the Prince of Wales or the amazing, iron self-discipline of his mother, who seems almost like an ancient Roman monarch, stern-faced and unfaltering as the family tragedie piled up around her.

The people are not, it seems, like that any more. That was why, after all, so many loved Diana: the same confessional tone and readiness to admit fault which embarrassed the Windsors and

their friends so intensely was what made her, to millions, "one of us". She drew little smiley faces in bio on children's plaster casts, and enjoyed the corny jokes, horoscope readings and ready, hug-generous behaviour of her most substantial group of mourners. The less hung-up sections of British society, including ethnic minority worshippers, gays and teenagers, have been prominent in the response. But so have millions of the stolid centre of Middle Britain.

To those brought up in the old ways of the British upper-middle classes (and the simple "uppers" too), much of this

is, in truth, a little cringe-making. But the word "old" in the previous sentence is at least as important as the class element. Diana, after all, was hardly a proletarian infant. She goes to rest in an impeccably aristocratic family chapel. What distinguished her from Charles was not class but age: she was a child of the post-Sixties global culture. He, on the other hand, is in many ways – and given his education this is no exaggeration – still the child of Edwardian values. There is absolutely no doubt which of them the vast majority of the British people identify with. And there is absolutely no doubt that this presents the monarchy with a genuine dilemma. If the prince grows up more like their father than their mother, the people, who have changed so much already, will not recognise them as belonging to the same country.

We applaud the louder, more emotional and sentimental sorrow, the Neapolitan style of the mourning streets. The inclusive and democratic nature of the response would have been everything she hoped for as "Queen of hearts". It feels curiously positive and properly cathartic, as a sombre state funeral or a muted private grieving, would not have done. Modern Britain knows, unBritish or not, it is good to cry. The heaped flowers, even with their Cellophane, are intensely moving. So are the crowds. This is clearly becoming a populist event, far

beyond the reach of official control or the carefully graded rituals of monarchy. It is growing, not shrivelling. It is only a little hyperbolic to describe the mourning of Diana as a kind of emotional revolution of the streets – St James's Palace being stormed in an utterly polite but insistent way by those determined to queue through the night to express their grief. This is an unthreatening revolution, except to the Household Gods of the stiff-upper-lips. We do not mock them. The traditions of repression and self-control are linked to those of duty and sacrifice, and are therefore admirable too; perhaps as a country we have lost a certain national dignity that became us.

But that as it may, we have moved on, and returned in spirit to the more rauous and sentimental nation we were before Victoria's reign. That is part of the meaning of what has happened in the past few days. We hope the Windsors and their advisers are watching the mood on the streets and learning from it. What would really do the monarchy good, and show that they had grasped the lesson of Diana's popularity, would be for the Queen and the Prince of Wales to break down, cry and hug one another on the steps of the Abbey this Saturday. That such an event is unthinkable shows how great is the gap between the people mourning "their" princess, and the Royal Family to which she never, quite, belonged.



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LETTERS TO THE EDITOR

Tougher laws against drink driving

Sir: I have lived and worked in Paris for eight months now and was therefore not particularly surprised to hear that the death of the Princess of Wales was the result of drink driving ("Killed by drunk driving, not fame", 2 September).

I discovered not long after moving here that drink driving was a completely acceptable part of the French life style. The consumption of wine at an ordinary meal time is not considered to impair driving skills. At parties, or just an evening out with friends, drinking and driving is accepted or even laughed at as people pile into cars at the end of the night.

I have even been ridiculed by my friends for making a stand against it and taking a taxi. This culturally acceptable drink driving is further encouraged by the fact that the French police do very little to stop it. For example, a friend of mine was stopped recently for driving in a bus lane at around midnight. He had drunk at least half a bottle of wine. The smell of alcohol must have been evident on his breath, but at no point did the police question or breathalyse him.

The driver of Princess Diana's car probably did not consider himself drunk or even a risk to others on the road. Furthermore, those who worked at the Ritz, who knew he had been drinking, would not have given it a second thought.

I do not blame French people for their drink driving habits, but I do feel that if the authorities and police were tougher on offenders and produced some hard hitting advertising campaigns similar to those shown in Britain, perhaps the situation would improve.

JANE WILLOCK
Paris

Sir: Since it is now apparent that the driver of the car in which the Princess of Wales was killed was both drunk and speeding, perhaps those whose immediate and unthinking reaction was to call for a crackdown on the press would consider it more appropriate to demand tougher laws on drinking and driving instead?

JON PARRY-MCCULLOCH
Stowmarket, Suffolk

Sir: What more fitting epitaph for Princess Diana than a worldwide introduction of drinking and driving legislation with a zero blood alcohol level.

ROS BEESON
London SW18

Sir: From the pictures we have seen of the fatal tunnel in Paris there is nothing present to prevent a head-on collision with the support pillars.

Any such tunnel in Britain would be provided with horizontal crash barriers to deflect any vehicle likely to leave the carriageway.

Perhaps the French authorities could now look at their road design standards.

C J CURRELL
St Albans, Hertfordshire

Sir: I write as a man ashamed to call himself human after hearing the eye witness accounts of the tragic death of the Princess of Wales.

Talk of life imitating art. David Cronenberg's film *Crash* was despised for its delving into the imagination to such a level of depravity as to be regarded by many as unacceptable. Yet, here we have, in life, in three dimensional reality, a scene that the likes of J G



Ballard and David Cronenberg could never have created: the depraved scramble over the still warm and twisted wrecked Mercedes for the ultimate image of the world's most photographed woman.

DOMINICK REYNHENS
London SW8

Sir: The Princess of Wales succeeded in making complex issues understandable and therefore people believed they had a role in this. This is particularly so of Aids and land mines where she risked criticism by taking direct action.

The Oslo Conference may lead to a treaty and it could prove to be a fitting memorial to Diana. More than anything else it needs to focus on the real facts, not political perceptions and commercial implications but the core humanitarian issue.

In 64 countries around the world there are an estimated 110 million unexploded land mines. Land mines kill 800 people a month. A large proportion are children.

Most mines are not charted or mapped. They move positions due to floods, landslides etc. As they age they become more sensitive. The estimated cost of treatment for live victims is more than £2,000. Clearing each mine costs a quarter of this.

The Princess was asking why we have all created this situation which is intolerable and yet totally capable of being stopped and, with commitment, banned for ever.

DAVID H W GRUBB
Executive Director
Children's Aid Direct
Reading

Sir: Are all those who have, in the last two days, criticised the role of

certain parts of the press and media, now going to avoid buying the relevant publications?

Criticism is easy to formulate, but as with most ethical and moral questions, strong words become empty gestures without consequent and congruent actions.

The Rev MARY J VICKERS
Fleet, Hampshire

Sir: It's a simple matter. Make invasion of privacy by whatever means a tort, like libel, with the burden of proof on the intruder upon, and the public interest a defence for those who intrude. The case could be tried before a jury who could fix damages according to the pain suffered by the defendant.

Publishers and editors, or anyone who derives secondary benefit, could be sued as well as those who commit the primary wrong.

JEREMY WALKER
London SW17

Sir: For the record, ITN did not "close down until GMTV went on the air" as reported in your article (1 September) on the television news coverage of the death of Diana, Princess of Wales. In fact, ITN was on air on ITV with updates and extensive coverage from our first news report at 15.7am until 6am. Specifically, we were on the air from before the announcement of the death of the Princess of Wales right through until the start of GMTV.

RICHARD TAIT
Editor-in-Chief, ITN
London WC1

Sir: Are all those who have, in the last two days, criticised the role of

Challenging Catholic celibacy

Sir: It is heartening that alcoholism and paedophilia among the clergy are being recognised by the Catholic Church structures (report, 27 August), but the philosophy of the Stroud reformatory for Catholic priests of breaking everyone who is sent there by using "boot camp" style methods is unacceptable. Especially as "patients" include those who are not in either of those categories but normal well-adjusted men who need time to think about their lives.

This tragedy highlights the situation of many men and women who are trapped by the church law of compulsory celibacy which forces a man to choose between the woman he loves and priesthood.

As a support group for women in relationships with Catholic priests, we know of numerous relationships in which this dilemma is part of everyday life. Most of the men concerned will not admit to or talk about their relationships to their bishops when they know that they will be treated as if perverted and threatened with Stroud.

The church law of compulsory celibacy, which has no foundation in scripture or theology should be challenged by all Catholics who recognise that priesthood and marriage are not incompatible, as shown by the church's acceptance into the Catholic priesthood of married former Anglican clergy.

GLYN FORD MEP
(Greater Manchester East, Lab)
Mossley,
Lancashire

'Impossible' to be MP and MEP

Sir: I write with reference to the letters by Bob Russell, MP for Colchester (25 August) and Anne McIntosh, MP for Vale of York and MEP for Essex North and Suffolk South (30 August). I'm afraid they are both being a little disingenuous.

Firstly, while it may be true that Labour Parliamentarians have in the past exercised a dual mandate, it has not been possible for sometime. Nearly seven years ago Labour Party Conference banned the practice on the grounds it was impossible to do the two adequately.

Secondly, as for the comment that more than two years is a short transitional period, all I can say is that many of my unemployed constituents would only be too grateful for such a job and length of correspondence etc.

However Bob Russell should clarify the position of the Liberal Party. In the past both David Steel and Russell Johnson stood as MEPs while sitting in the House of Commons.

This is now banned or will we see a litter of the surprised Liberal victors from 1 May doing the chicken-run on to the new regional lists in 1999 saying that after all three years is only a short time?

LYNNE EDWARDS
Seven-Eleven, Coventry

Consultant's time is fully utilised

Sir: Phil Hammond's jibes at consultant surgeons (*Tribaloid*, 2 September) were pretty gratuitous cheap shots.

Easy stereotypes can be made of any profession, and will be wrong 95 per cent of the time. Of my 14 allocated hours of routine operating time, which is fully utilised, I am obliged to use a portion to train junior surgeons. Dr Hammond also conveniently forgets outpatient clinics, ward rounds, emergency work, correspondence etc.

The only reason my waiting list went up by four months last year was because there weren't enough beds to admit routine cases during the winter crisis. The debate on how the NHS is run deserves better than this from someone who professes to tell it like it is.

NEIL HULTON FRCS
Consultant Surgeon
The Royal Oldham Hospital
Oldham

A night out for a shilling

Sir: "Prices ain't wot they used to be," you report ("How the pound in your pocket took a pounding", 29 August).

This reader, unemployed in Watford circa 1937, enjoyed a night out on a shilling (3p), 2d for a packet of five Woodbines, 2d for a half-pint of beer, 6d for an evening's ballroom dancing with 2d left over. Cap that!

GIL TAYLOR
Leicester

TV nation needs therapy

Sir: Yes, yes, yes, each Thursday you have "Film, Film, Film", each Friday "Music, Music, Music".

It is very public-spirited of you to cover these minority interests at such length, but when are you going to give equivalent space to what every man-jack of the population devotes hours every day to? Apart from employing far and away the best television critic in the land, you dedicate very little space to it.

Television is no longer at a crossroads. Choices have been made and it is cantering happily downhill. Documentary slots have largely been usurped by cheap cliff-hangers about the emergency services. Arts programmes have become mere puff pieces for films and records. And drama – always the most popular strand of television's output – has fewer and fewer notable exceptions to the unremitting cop-show.

Television is the expression of our national psyche and it is in need of independent therapy.

CLIVE EXTON
London N1

Sir: Your report on the popular BBC children's TV programme, *Teletubbies*, has left me outraged ("Teletubbies to get grown-up help", 25 August). My four-year-old granddaughter, who lives abroad, recently spent a two-week holiday with us and the highlight of the day was watching together the delightful and refreshing *Teletubbies* show.

As an educator and one-time children's teacher myself, I find the programme to be one of the most entertaining and well-produced children's TV shows that I have seen for a long time. I find the criticism handed down by the self-appointed so-called educational "experts" to be utterly ridiculous. It is ludicrous to imagine that any normal child's language development could be impaired by hearing the baby-talk of a *Teletubby* (any more than listening to the baby-talk of younger siblings).

The BBC would be well advised to ignore these spurious criticisms which I am sure are unrepresentative of the majority of British parents and to leave the programme in its present charming form.

DENISE BARDAN
Cambridge

Too dirty to change a nappy

Sir: Last week I put my daughter and her two children aged two and four months on a train from Liskeard to Reading. She had reserved seats but the way to the toilet was blocked by baggage and people. Nevertheless it was so filthy as to be unusable and there was no facility as there is in aircraft for changing a baby. Apologising profusely she had to change the baby in front of other passengers while they chewed their sandwiches. The train was one hour late.

We learnt this week that our train fares are three times the world average and, for cleanliness and punctuality, compare very unfavourably with the SNCF and Swiss trains.

If politicians, ministers and business had to travel second class with small children rather than by themselves in half-empty first-class compartments, I think changes would soon be made. Canon PAUL GODDARD
Poldhu-by-Fowey, Cornwall

first person



Means of death, 1997: Farnborough brochures and hardware includes, below left, Rapier FSC/Jernas launcher by Matra BAe Dynamics and, below right, the Simba tank by GKN Defence

The Farnborough 'defence exhibition' is meant for the trade, but Fran Abrams infiltrated the serried ranks of uniformed men to make a few innocent inquiries about what those weapons are really for



What's a fighting vehicle, then?

Half an hour into my first arms fair – sorry, defence exhibition – and I am starting to get the hang of it. "Now I see," I say triumphantly, eyeing an armoured car with a vicious-looking turret. "So these aren't tanks because tanks have big guns."

The PR man is starting to sweat a little. "Er, well ... these can have big guns on them ..." he begins. Just at that moment one of his colleagues appears at his other elbow, looking agitated. A half-whispered conversation ensues.

The PR turns back to me, faintly accusing. "We've been infiltrated," he says.

I can feel myself starting to look shifty. "Infiltrated?" I squeak.

"Yes," he explains. "Some protester got in with a banner ..."

Relief floods over me – for a

horrible moment I thought I was about to be ejected for dangerous naivety. I divert my gaze back to the matter in hand: to be honest, they still look like tanks to me.

For those readers of *The Independent* who haven't actually been to an arms fair – there is no great shame in this, for security is tight – I will attempt to describe this week's Farnborough show. Try to imagine how Alice in Wonderland would have felt if she had wandered into a toy fair after drinking that stuff which made her shrink. Big, shiny machines are everywhere. Huge, clanking demonstrations are held, with tiny squaddies scrambling about over enormous pieces of metal. They look so real you can almost see the veins standing out on their reddening necks as they bawl orders to each other.

Stiff-backed foreign generals with lashings of gold braid strut between the exhibits,

surrounded by concentric rings of lesser-brained troops suited officials and sharp-looking security men. They all wear little badges denoting their country of origin: Korea, China, Turkey. Exhibitors smile obsequiously as they stroke their best guns. This toy show is strictly for the boys – in fact, I'm just about the only woman in the place.

"It's a utility vehicle rather than a fighting vehicle. It can be used as an ambulance, a people carrier, a command vehicle," explains the firm's head of public affairs, Mike Docherty. (Command, by the way, means it carries people with more stripes on their arms.)

"So what does 'mortar' mean?" I ask, glancing down at the vehicle's laminated notice.

We establish that it can carry and fire mortars. "But you said it wasn't a fighting vehicle," I protest. "It's indirect rather than direct fighting," he explains. I am bemused. It seems firing a mortar does not count as "fighting" because you point it into the air rather than at a target.

Next to this prototype is the Tactica armoured vehicle.

Today the Tactica is fetching attired as a jammy car, in the colours of the British military police. It is better known, though, as the vehicle whose export to Indonesia went ahead despite the Labour government's ethical defence policy. The Indonesians fit them with water cannon to fire pink chemicals at pro-democracy demonstrators, but they do have other uses. For example, there are a lot of ravines over there and drivers tend to crash their cars into them. Apparently, the

Tactica comes in very handy for pulling them out again.

Anyway, Mr Docherty explains, water cannon aren't half as bad as the plastic bullet guns we use in Northern Ireland. "I know what I'd rather be hit by. I think I'd rather get wet," he says, without mentioning pink chemicals at all.

Lovely as it is to spend an hour or two mulling over the finer points of these beautiful beasts with their proud creators, I decide it is time to move on to smaller fry.

In a corner of the indoor exhibition hall is a stand which proudly displays a range of guns from pistols with "first shot potential" ("no manual safety elements to contend with") to full-scale anti-tank weapons. There are also a number of knives. The man in charge is not keen to talk, though. "I don't think we want any publicity," he says. "You're not one of those anti-guns guys, are you?"

I explain that I am merely a humble reporter from *The Independent*. "I seem to remember *The Independent* was pretty anti-gun around the time of Dunblane," he sniffs, but he seems content to let it go. A few moments later he is happily laying out his wares.

Then I notice a poster advertising something called "BASTEG", a "barricade and street encounter grenade", and things take a turn for the worse. "I was hoping you wouldn't see that," he says, before going on to explain that they aren't for barricades, exactly. They are designed to blow up blocks of

concrete and the like, and can be useful for "urban fighting".

"If they were in Bosnia and were attacked by the Serbs, that sort of thing."

We move on to the smaller guns. On the counter by the display case there is a pile of leaflets advertising a gun for "sport and self-defense". I pick one up, but he snatches it from my hand. "I'd rather you didn't take those. We're a bit short."

He hands it to his colleague, who puts it under the counter along with the rest. "There seem to be plenty to me," I say.

The thing is, he admits, the gun has been banned for private use in this country since Hungerford. "So why have you got leaflets advertising it for sport and self-defense?" I ask.

"We're a Swiss company," he replies, even though the leaflets are in English. Eventually he relents and gives me a different leaflet about the same gun. It is "compact precision" with a fully automatic firing mode, "conceived specifically for special forces and elite units".

By this time I am beginning to feel as they say in Victorian novels, "a little queer". Is there anyone around here who doesn't think Ethics is a place next to Thufolk?

I feel much comforted when Simon Raynes, communications manager for British Aerospace, brings up the issue of human rights without me even having to mention it. It is in the air, of course, because BAE recently completed the sale of 16 Hawk Jets to Indonesia, which has in the past been accused of using the planes in occupied East Timor.

"We feel that role is the business of government. We are not on the diplomatic or the political circuit and it would be quite improper for a company like ours to set its own rules," he explains. "At the end of the day we don't make a judgement. Of course, with our shareholder interests, if we feel there's an opportunity for responsible business, we will proceed. There are plenty of other people competing."

The Indonesians have only used the Hawks for training, he adds. "They have a role to look after Indonesia's interests, internally and externally."

I write all this down dutifully, noting from the glossy brochure that BAE has two offices in Indonesia, and ask to see his weapons. These include the huge and impressive Millennium Gun and a thing called a Jernas, which I am surprised to learn is a "passive" weapon despite the fact that it is bristling with projectiles. There is also a new guided missile which the British are making with the French. It is fired off a ship and can be programmed to hit other ships miles away. The British were attacked by French-made Exocets a bit like these.

Meanwhile, the government continues to pump in money to keep the beast alive. In 1994 it spent just £350,000 supporting the construction industry exports from which are worth £7.4bn. For the pharmaceutical industry, exports from which are worth £4.9bn, the government paid for just four full-time staff. By contrast, we spent more than £15m supporting £2.9bn of defence exports.

Much has been made of Robin Cook's new, whiter-than-white foreign policy, and of whether it will have an effect on defence sales. The debate has been polarised into one of ethics versus economics, but it is not so. On this one, the Government can win both the moral and the financial argument by simply putting its hands in its pockets and keeping them there until a more deserving cause comes along.

Still tie
named a
market



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We have become so used to the idea of polytechnics being converted into universities (did I imagine it or did I hear a comedian on the radio the other day say, "according to Poly Toynbee, or Toynbee University, as she now is ...") that we have quite forgotten what the difference is. The only thing we can be sure of is that no university has ever wanted to become a polytechnic.

Similarly, we have become so used to the spectacle of building societies turning themselves into banks (did I imagine it or did I hear a comedian on the radio the other day say that he could remember when Northern Rock was just another description of The Beatles?) that it comes as something of a surprise to learn that there are any building societies left at all.

But there are still surprises left, and one of them is the news that the Rugby and Coventry Building Society is about to abandon its status as a building society and become a fully-fledged university.

"One is that people are fed up to the back teeth with

Yes, your eyes did not deceive you.

"The Rugby and Coventry Building Society will cease trading as a building society as from midnight on 31 Aug and become a fully-fledged university," read the press release which was handed over to press and media on 30 Aug 1997.

Coinciding as it did with Princess Diana's death, at a time when no other news was allowed to infiltrate, the announcement of this change of status has had very little coverage. Indeed, I think I am the only newshound to have noticed it and certainly when I turned up to interview the new Vice-Chancellor of Rugby and Coventry University, Sir Donald Beanstaff, I was the only journalist in the offing.

"We have decided to

become a university for three reasons," intoned Sir Donald Beanstaff, as he poured us a sherry in the palatial vice-chancellorial suite which was until so recently the head office of the Rugby and Coventry Building Society.

"One is that people are

fed up to the back teeth with

town of Rugby?

"Oh, with you! Not very close at all. But then, nothing is very close to Rugby, as you will know if you have ever tried to go there."

And the third reason?

"Third reason? Oh, with you! Windfalls. When you convert from a building society, you get masses of windfalls. When you convert to a university, there isn't actually that much money to share out, not after the directors have had their share, anyway, but you get a hell of a lot of degrees. In my case, I have already collected 15 honorary degrees, including one in para-sociology and another in applied office design, two subjects I didn't even know existed this time last year."

But what on earth are windfalls?

"A lot. They help you to get a good job."

What good job have they helped you get?

"Vice-Chancellor of Rugby and Coventry University, for a start."

"Hmm. Well, where will the teaching take place and how exactly will it work?"

"Good question. We at the Rugby and Coventry University do not have a campus or a series of college buildings in the traditional sense. Nothing ivy-clad about us, old boy. In fact, we know

from our experience as a building society that ivy is the last thing you want growing up a healthy building fabric, eh! But we do have a great series of branch offices in every Midlands town from Nuneaton to Kenilworth, and we will be dispensing degrees from all of them."

On demand?

"Oh, no. People will have to deposit their homework as they used to deposit their regular building society contributions, and these regular essays will be added up and assessed and interest paid on them until they accrue into a fully-fledged degree. It's revolutionary, old boy. Can't fail. We'll make a fortune. Been nice talking to you. Here, have a degree in The History of Martial Arts!"

"Tomorrow, the astonishing story of how Taunton Teacher Training College became a fully-fledged merchant bank



**Miles
Kington**

building societies changing into banks, so we thought we could ring the changes a bit. Secondly, it has been known for years that the University of Warwick is nowhere near Warwick and is, if anything, closer to Coventry, so we thought we could create a Rugby and Coventry University which was actually closer to Warwick!"

What about Rugby?

"Yes, we'll be playing rugby, and indeed any team game which might get a grant from the National Lottery."

I really meant, how

close will you be to the

Joyce

the commentators

Still tigers, but tamed a bit by the market system

Maybe the next century won't belong to Asia after all. Or at least that is the thought spurred by the sharp falls in the currencies and the stock markets of several hitherto admired Asian "tiger" economies. The shorthand is familiar: that the 19th century was dominated by Europe, the 20th by America, and so the 21st will be dominated by Asia.

It certainly seems plausible: China in particular has been sustaining growth rates of between 8 and 10 per cent for more than 15 years and on this performance will overtake the United States as the world's largest economy some time around 2010. Hong Kong already has a higher GDP per head than Britain.

This economic success brought a certain arrogance. Leaders of countries such as Singapore and Malaysia lectured the West on its supposed moral decline, while Western think-tanks started to produce papers advocating "Asian values"—the importance of things as varied as self-help rather than state support, close family ties rather than fractured marriages, and high savings rather than spend, spend, spend.

So, the theory went, not only would Asia dominate us in economic terms; it would also come to have a profound influence on our ideas. Instead of trade in values being a one-way stream with Western values extending to the East, it would become a two-way one, with us starting to import not values, certainly ideas, from them.

Remember earlier this year Tony Blair, still Leader of the Opposition, talking admiringly of the Singapore pension scheme, which relies on compulsory savings rather than future taxation.

But in recent weeks the mood has shifted. Maybe the region is not so wonderful after all. The immediate reason for that change has been a financial crisis which began in Thailand in early July but which rapidly swept across the entire region. Thus, in dollar terms, the exchange rates of both Indonesia and Thailand have fallen by more than a quarter, and share prices have halved in the last year.

Even though the region is extremely diverse, the falls have proved contagious. Countries whose economies and financial systems are completely different have been hit. For example, Hong Kong's stock market is now at a four-month low, in contrast to the markets of Europe and North America. Yesterday the Chinese government put out a statement of support for the Hong Kong exchange, saying that Hong Kong was "economically strong", that it had "adequate currency reserves" and that it had "the solid support of the central government". As we know here to our cost, the moment governments feel the need to proclaim that everything is all right is the moment you can be sure it is not.

There is, however, a world of difference between periodic financial shocks and a long-term economic decline. It may come as a surprise to us that anything should go wrong in what we have come to think of as the world's most successful economic region. But it should not have done so. Because we allowed ourselves to be dazzled by the astonishing growth rates of East Asia, we forgot that the very nature of rapid growth is that it is interspersed with sudden hiccups. If an economy is geared to 8 per cent growth, coming down to 4 per cent



Hamish McRae

Because we were dazzled by the growth rates of East Asia, we forgot that the very nature of rapid growth is that it is interspersed with sudden hiccups

creates all sorts of problems. But if we could sustain 4 per cent here, we would be the tiger economy of Europe.

Besides, what we are seeing is the financial reaction to an economic rebalancing within the region, rather than a sudden deterioration of the whole region's competitiveness. The trigger set off the problems in such countries as Thailand, Indonesia, Malaysia and the Philippines has been a hiccup in export growth resulting from the expansion of exports from mainland China, these countries' principal competitor in international markets—a fact that makes the Hong Kong market reverse all the more odd.

No, what I think we are seeing is not an end to the dazzling success story of the past, but rather a glimpse of the bumpy, but still dazzling future.

The next century will see Asia, and particularly East Asia, playing a relatively more important role in the world. That is normal and natural. At the beginning of the last century, the world's largest economy was China; so it will be again. This time China, and indeed the whole of the region, has the advantage of being able to adopt not only state-of-the-art technology from the West, but also the West's state-of-the-art economic system.

The intellectual victory that the West won when China and the USSR adopted (admittedly rough) versions of market capitalism meant that the West had also lost the comparative advantage of what is, for all its many flaws, the best available way of organising an economy.

For the next generation, at least, and maybe for the next century, the world economy will operate on pretty much a single economic system. Naturally regional variations in that system may well remain, but remember too that in a world of almost infinite information, any really effective variations can quickly be adopted elsewhere. It would be astounding if there were not some things that people in the American and European time-zones could not learn from people in the Asian one.

That is, however, a long way short of domination by Asia during the next century. For a start, there is an obvious fragility to the region. It is dominated by two great powers, China and Japan, which have had a historically difficult relationship. Their mutual security may, for the time being, be underwritten by the US, but we cannot assume that will continue indefinitely. There are also a series of specific political tests that will need to be taken, among them the almost certain reunification of the two Koreas, the probable incorporation of Taiwan into China, and the possible transition to a real democracy in the region's other giant, Indonesia. The outcomes may not be towards the more favourable end of the scale.

So this rumble of market discontent of the last few weeks should be seen not as a sign that the East Asian economic miracle is over. The message is rather that now that the whole region is operating the market system, it will experience the same financial shocks that Europe and North America have come to accept. Booms will follow slumps, just as slumps will follow booms. That does not make such shocks any more welcome. It would be great if we could avoid them, or even dampen down their amplitude. But we can't; and nor can they.

Paul Valley

"The sooner she goes, the better"

Montserrat is only the tip of the volcano – Clare Short's critics are complaining of much more, says Paul Valley

So now it is two-nil to the people of Montserrat. Clare Short, the Secretary of State for International Development is to visit the volcano-hit island, it was announced yesterday. That news came on top of a £6.5m emergency housing commitment by her deputy, George Foulkes. It will all cost a lot more than the original plan to give each islander £2,400 and a one-way ticket off the dust-choked disaster zone.

It has not been a happy episode for Ms Short. First there was the "failure of communications", as the Foreign Secretary so delicately put it, between her and the islanders. Then there was her jibe that the whingeing colonials "will be wanting golden elephants next" – a remark she later described as unfortunate. Finally there was her *Independent on Sunday* interview, in which she complained again of anti-Short spin-doctoring unleashing virio

"from either or both No 10 and the Foreign Office press departments".

But if the disillusion goes deeper, it is a two-way thing. "Over Montserrat she has demonstrated appalling political nous," said a senior official of one major British aid agency. "And it reflects two fundamental things about Clare Short – that she has total disregard for overseas emergencies and that she is an egomaniac. The sooner she goes the better."

It is not an isolated complaint. "At first we welcomed her. We thought she was unpredictable, but that gave her the capacity to raise the profile of these issues," said a policy-maker in another prominent development charity. "But we knew that her first six

months would be crucial, and the truth is she hasn't acquitted herself very well in them."

"A lot of people like her personally because she's not a politician's politician. She's the sort of person who is hard to criticise her," said the director of a third. "But she's a bull in a china shop. She's tremendously passionate, but all our fears about her are being fulfilled."

This is serious stuff, for it comes from the heartland of what ought to be her most supportive constituency. What is the source of their discontent? Yesterday Ms Short was at the London Business School trying to persuade British industry to take up her cause. She is encouraging new mechanisms to promote fair trade and ethical business practice. All very New Labour, all very laudable.

"She's a tremendous visionary," said one insider there. "She will lead the department in a new direction. There is praise too for her linking development with trade and debt. She wants to counter Western protectionism and alleviate Third World debt in a more holistic programme.

But, say her critics, there is some

thing very Old Labour about her ideological insistence that such issues should knock emergency aid down the list of departmental priorities. They complain too of old-style statist instincts which say that poverty-alleviation can best be done by govern-

ment workers demurred her response was "really snotty".

"She is clever but arrogant," said a fourth senior aid official. "In this field it is necessary to work on many levels – emergency aid, development projects and lobbying for policy change. But she seems to think the first two are unimportant."

They contrast her approach with Robin Cook's careful walking of the difficult tightrope between trade interests and human rights in his ethical foreign policy.

"She prides herself on challenging assumptions. And she does. But she doesn't always read her briefs properly and her challenges are not always from a basis of fact."

The Department for International Development (DfID) already occupies the most junior position in Cabinet. If it

is also at loggerheads with the Foreign Office, the agencies say, the result is the worst possible scenario.

The clashes are not limited to



How well does Clare Short read her briefs? Photograph: PA

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The clashes are not limited to

over management of the World Bank.

"Because of her ego she has a sense of rivalry with everyone," said a fifth leading aid worker. "The only question is will she go or will she be pushed – and if she precipitates a crisis will the department be absorbed into the FCO and lose its Cabinet status as a result?" Some are even talking about her successor. "We need to replace her with a bright young innovator who will restructure the policy in the way Chris Patten did when he held her position," said a senior official in one of the leading agencies.

Quite how much of this disillusion has fed itself into Labour circles is unclear. On his way to Montserrat Mr Foulkes said that the Prime Minister had telephoned him to wish him luck: "He told me he wanted me to resolve the situation and that he was relying on me to do that." It seemed an oddly maladroit thing for the minister to say. Was it bumbling self-aggrandisement or was he trying to distance himself from his boss? "It seemed pretty treacherous in relation to his head of department," one agency director said yesterday.

Labour insiders insist that, despite Clare Short's dark suspicions, the Prime Minister and Foreign Secretary are doing all they can to support her. "Cook is bending over backwards to be good to her," said one. "But she can't go round announcing that she sees plots everywhere." Agency chiefs sadly agree. "In my heart I'm with her," said one, "but my head goes in the opposite direction. In the end if she slips on a banana skin it will be one of her own, not one of theirs. If she is impaled it will be on her own prickles."

The Windsors still don't understand us

by Suzanne Moore



The 'rainbow coalition' queues to sign Diana's memorial book

Photograph: Brian Harris

just who those appearances are for. If the public is no longer impressed by stiff upper lips, by pushing grief-stricken boys into suits and sending them off to a church service where their mother is not even mentioned; if the future king cannot even put his arm around his young sons, then what and whom is it all about?

More to the point, how can the Royal Family, an institution that represents the antithesis of democracy, organise the funeral of a young woman whom people felt in their hearts to be instinctively full of democratic impulses, who consistently broke down the barriers between "us" and "them"?

The signs are already there that the other Royals have not, unfortunately, learnt a thing from this tragedy. Their apologists have informed us that the Royals just do things differently from normal people. Normal people think they just do things badly. The question the firm asked of Diana when she was alive, "Why can't she be more like us?" was always the wrong one. It should, of course, have been: "Why can't we be more like her?"

We are now experiencing the peculiar spectacle of a Labour government gently nudging the Royal Family into the 20th century, urging it to take notice of the people's wishes. The image of royalty since the death is that they are closed away somewhere in their cold castle, unable or uninterested in judging the public mood. One can't help wondering whose advice they are taking, for it is the wrong advice. So concerned are they with keeping up appearances, they seem to have forgotten

that high cultural taste. Diana

liked Elton John and Wayne Sleep, Phil Collins and Prokofiev. If that is what she liked, then this is what she should have. That is, the funeral has both to capture the person she was as well as symbolise her huge importance.

In order to do this, surely some of the protocol

fires and fountains throughout the land. A fitting memorial would be a funeral that truly included the dispossessed rather than merely the great and the good. We are promised that every effort is being made to do this. Yet whatever public rituals achieve, Diana's legacy, one hopes, is also personal.

One desperately wishes that her sons will be brought up in a more open and affectionate way than their bewildered father. There are few indications that this is even possible.

To say emotional literacy is not the forte of the Windsors is a gross understatement. Modernity of the most everyday kind appears beyond their reach.

Constitutional experts inform us that all is well, that the reputation of the monarchy waxes and wanes, and that is to be expected. To that, I simply say that the life and the death of Diana was not what we expected at all; that was then and this is now. Right now the tremendous closeness that people felt to Diana only serves to underline the enormous gulf between "them" and "us". Whatever country the monarchy thinks it is ruling, it is becoming clear it is not the one that most of us actually live in.

THE INDEPENDENT

True or False?

"I have a 1 in 3 chance of getting cancer"

For the answer to this and other questions read The Independent's special report on Pain on Tuesday 9 September 1997

In association with

Marie Curie Cancer Care

business & city

**FINANCIAL JOURNAL
OF THE YEAR**

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

Boost for UK as Airbus lands \$4bn jet deal

Michael Harrison

Britain's aerospace industry was given a huge boost yesterday after the European aircraft manufacturer Airbus Industrie clinched a \$4bn (£2.5bn) order for 65 jets.

The order for a mixture of wide- and narrow-bodied Airbus aircraft, leased by the giant American leasing company ILFC, will bring in work worth hundreds of millions of pounds to British Aerospace factories and other component suppliers around the country.

However, Boeing is set to share in the bonanza with ILFC, a subsidiary of the US insurance giant American International Group, preparing to place an order for about 50 jets worth a similar amount with the US manufacturer.

Bae has a 20 per cent stake in Airbus and employs more than 10,000 people directly manufacturing wings but an estimated 50,000 UK jobs depend in total on the Airbus programme.

News of the order – the biggest Airbus has won so far this year – helped send Bae shares 50.5p higher to close at 1510.5p – the 3.5 per cent rise making them one of the best performing stocks of the day in the FTSE 100 Index.

This is the second boost for Airbus in as many weeks. Last Thursday the French socialist government dropped its objective

tions to the transformation of the four-nation consortium into a single commercial entity, paving the way for full privatisation early in the next century.

There could be a further bonus for the British aerospace industry if Rolls-Royce succeeds in winning engine orders for the aircraft being bought by ILFC.

The Los Angeles-based company is acquiring 50 aircraft from the A320 range and 15 A330 jets, taking its total Airbus fleet to 260 and making it the consortium's biggest single customer with 11 per cent of the total order book.

The next biggest customers of Airbus are the national airlines of Germany and France, two of the other partner countries in the consortium. The fourth partner is Spain. British Airways has never ordered a single Airbus aircraft but it is one of the handful of airlines examining the proposed 600-seater Airbus super-jumbo the A3XX.

Both the A320 family and the A330 are capable of being powered by Rolls-Royce engines although the British company will be in competition with its larger US rivals, Pratt & Whitney and General Electric for the orders.

The ILFC deal brings the total Airbus order book to 2,392 aircraft and increases the number of jets ordered so far this year to 167. Jean Pierson, managing director of Airbus described the ILFC order as "a gratifying vote

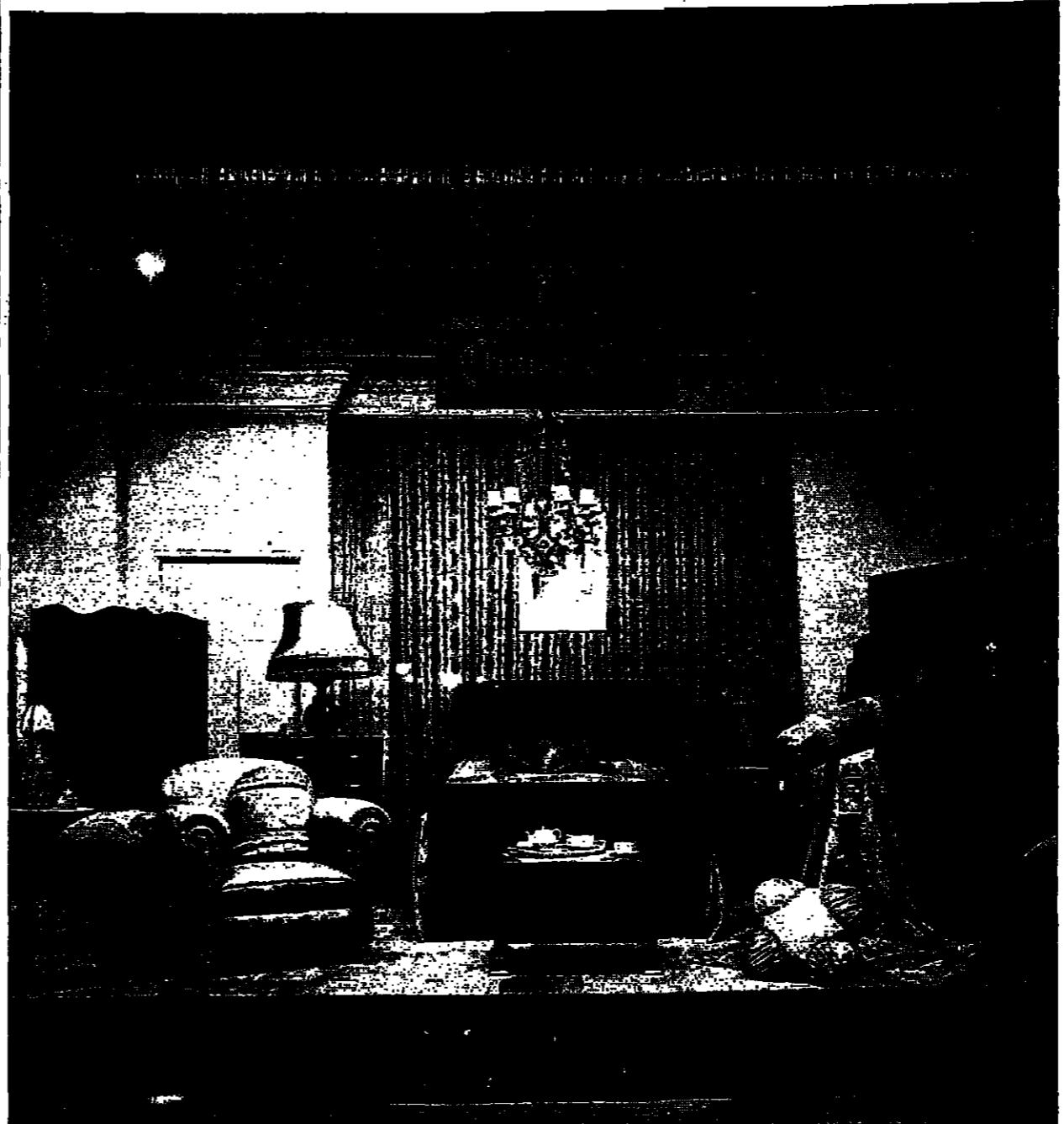
of confidence and endorsement of our overall market presence and future objectives". Around 20 per cent of the world aircraft fleet is now supplied through operating leases to airlines.

Last year Airbus and its larger US rival Boeing, which has just completed the takeover of McDonnell Douglas, won 1,043 orders and 1997 looks like being another bumper year. Airbus's share of the world market is running at about 35 per cent.

It would be a stunning coup for Airbus if it could confirm an order worth up to \$19bn from US Airways for up to 400 aircraft. Last November the American carrier announced plans to acquire 120 Airbus jets worth \$5bn with an option to buy a further 280 worth \$14bn but the orders are contingent upon it reaching a deal with its pilots union by the end of this month.

The A3XX – forecast to cost at least \$8bn to develop – will only go ahead if the Airbus partners succeed in converting the business into a public company by 1999. Apart from Bae, the other industrial partners are Aerospatiale of France, Daimler-Benz of Germany and Spain's Casa. Bae has indicated it is not interested in emerging with a shareholding greater than its current 20 per cent but expects in return to be compensated by the other partners for the greater value of the assets it will contribute to the new company.

Maples furniture empire collapses after 150-year history



Maples, the furniture retailer collapsed into receivership yesterday more than 150 years after the first store opened on London's Tottenham Court Road, writes Nigel Cope. Receivers Deloitte & Touche blamed high debts and poor trading for the collapse but said they hoped to sell the business promptly as a going concern. They said there were no immediate implications for the group's 340 staff. The business has been experiencing cash-flow problems but a poor August bank holiday was the final straw. Trading was well below targets in spite of a last-ditch promotional effort which included five-year interest-free credit deals with nothing to pay for the first year. Clive Vaughan of retail analyst Verdict Research said: "It is surprising because they should have been doing well at the moment. They have a strong brand with an upper mass market clientele. This has been exactly where the windfall money has been going." Maples has 24 stores, including nine larger out-of-town outlets, specialising in high quality living room and dining room furniture. However, it has been a poor financial performer and the difficulties continued after a management buy-in from the Asda supermarket group in 1993. Maples owes £8m to its main bankers, Bank of Scotland and Cinven, the venture capital group which backed the takeover. It had sales of around £50m last year and is thought to have recorded a significant loss. Photograph: Hulton Getty

Rock members to get £2,000

Clifford German

Qualifying members of Northern Rock Building Society will each get windfalls worth almost £2,000 when the society floats on 1 October. It was estimated yesterday.

The 500 free shares each member will be sent could be worth as much as 390p each, according to the Newcastle-based mutual's local broker, Wise Speke.

The forecast is based on the average price of shares in Abbey National, Halifax, Woolwich and Alliance & Leicester in relationship to their forecast earnings and the likely dividends yield in 1998.

The expected valuation reflected the high current rating of shares in the financial sector rather than an assessment of fair value, Wise Speke's analyst, Geoff Miller, said yesterday.

Unlike other converting societies, Northern Rock will not qualify for a premium rating as part of the FTSE 100 index, despite an estimated market value of around £2bn.

Information packs are being posted out to members offering them a choice of selling their shares for cash before dealings begin, keeping them in a nominee account or receiving a share certificate.

Completed forms indicating what members want to do with their shares must be received by 26 September in order to sell at an auction of shares planned for the day before first dealings or to join a nominee account.

A single auction will be conducted by brokers Hoare Govett after hours on Tuesday, 30 September.

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Centrica price cuts anger rivals

Michael Harrison

The gas industry regulator Ofgas was yesterday urged to intervene to stop British Gas from offering 1.5 million households in southern England reductions in their bills ranging from £40 to more than £100 a year.

The calls came after Centrica – the trading arm of British Gas – confirmed that it is to introduce its ValuePlus scheme in Kent, Sussex, Dorset and the former county of Avon. Under the scheme customers with around 250,000 domestic customers, said: "We believe that the premature extension of ValuePlus will seriously undermine the continued growth of gas competition nationwide. The effect will be to discourage new suppliers and weaken smaller competitors to the detriment of growing customer choice."

Sue Slipman, director of the Gas Consumers Council, also sounded a note of caution, pointing out that it had opposed the introduction of ValuePlus in the south west as an example of predatory pricing.

She also called for Ofgas to commission an independent authority to establish whether sufficient competition had been established to allow Centrica to compete on price with rival suppliers.

Since the south west was opened up in April of last year 118,000 of the 500,000 gas customers in the region – just under a quarter – have switched to a rival supplier. A similar proportion have switched over in southern England since the market was opened to competition February and March of this year.

What appears to have upset rival suppliers is the speed with which ValuePlus is being introduced in the latest trial area. Centrica waited almost a year before launching the scheme in the south west but has decided to offer it to southern England barely six months after the start of competition.

Mr Whelan, managing director of Eastern Natural Gas, said: "Competition in other parts of the country could be stillborn if people can see that they have only to sit back for a short while and wait for British Gas to start cutting its price."

He painted a bullish outlook for the market, even though the growth rate could be cut in two next year, as the Government took action to dampen consumer spending, he said. "It is reasonable to assume that house price inflation will halve to 3 to 4 per

cent, but I would still suggest that is a very acceptable background against which to trade."

Mike Alexander, managing director of British Gas Trading, said that research showed 95 per cent of customers in the trial areas were now aware that competition existed. But Ms Slipman said there was a "credible gas in the monopoly supplier being their own judge and jury".

The price cuts will be available immediately and will mean a saving of £40 on the average annual bill of £350 but a reduction of £109 for large households with an annual bill of £900.

Competition is due to be extended to a further 2.5 million households in Scotland and the North east from 1 November with the rest of the country joining up in phases between February and June of next year.

Wimpey upbeat about house market prospects

Magnus Grimond

George Wimpey, the UK's biggest house-builder, yesterday added its voice to the growing chorus seeing the current strength in the housing market spreading out from the South-east to the rest of the country.

Joe Dwyer, the chairman and chief executive, said the election, the Budget and higher interest rates had all passed without any real detrimental effect on consumer confidence.

Echoing very closely comments made by rivals Persimmon on Monday, Mr Dwyer said new house price inflation was running at 6 to 7 per cent in the South-east, dropping to only 1 to 2 per cent in the North and Scotland.

He painted a bullish outlook for the market, even though the growth rate could be cut in two next year, as the Government took action to dampen consumer spending, he said. "It is reasonable to assume that house price inflation will halve to 3 to 4 per

cent, but I would still suggest that is a very acceptable background against which to trade."

Mr Dwyer's comments came as Wimpey revealed a turnaround in its interim results with profits of £12.5m replacing losses of £8.6m last time, boosted by a full six months' inclusion of the Tarmac homes operation acquired in an asset swap with Tarmac in March 1996. The half-way dividend, which is being held at 2p a share, is covered by earnings for the first time since the late 1980s.

The group revealed it was ready to sell its Ardel housing land development operation in Australia as part of a disposal programme which has seen gearing drop from 57 per cent to 51 per cent since June 1996. Net assets at Ardel are worth around £650m (£28m). If a sale is agreed this year, as expected, it would swell currently planned disposal proceeds of £50m for 1997. A further £30m of assets remain for disposal after that.

Group completions rose 7 per cent to 6,148 in the first half, boosted by a 50 per cent increase in overseas operations, principally Morrison Homes trading in five US states, which broke even for the first time for several years.

Mr Dwyer forecast that the original Wimpey Homes business would be back up to 6,000 completions by next year, with McLean following the year after.

Apple clone licence move boosts shares

David Usborne

Apple Computers yesterday startled industry-watchers by agreeing to buy back the cloning licence it sold to Power Computing Corp in 1995 for \$100m (£65m).

The bold move, which boosted Apple shares, was investigated by Apple's co-founder Steve Jobs, who has been running the troubled computer maker for the past month while a search is conducted for a new permanent chief executive.

Jobs is known to have disapproved of the agreements entered into by Apple since 1993 to sell licences to other computer makers to manufacture and distribute clone Apple products. Among those, Power Computing emerged as the most successful with an annual revenue last year of \$300m.

Rather than helping to expand the market share for the Macintosh operating system, as Apple had originally hoped, the clone-makers have instead eroded Apple's own sales through aggressive dis-

count pricing and direct marketing. It is this cannibalising process that Mr Jobs wants to reverse.

Apple and Power Computing had been in dispute for several months over access to Apple's technology and some kind of new arrangement between the two companies had been expected. Power Computing's former chief executive, Joel Kocher, resigned from the company last month over the arguments with Apple.

Under the deal unveiled yesterday, Apple will acquire

the core assets of Power Computing, including the right to retain key employees with expertise in direct marketing and distribution. Apple will also gain Power Computing's customer data base.

Power Computing will retain its name and continue to sell Mac-compatible computers until the end of the year.

It remained unclear what the implications of the Power Computing deal would be for other holders of Apple clone licences, which are principally Motorola Inc and Umax Computer of Taiwan.

Salvesen hit by fresh setback

Magnus Grimond

A collapse in the pea crop has become the latest mishap to derail Christian Salvesen, the ill-fated transport to generator hire group, which has seen its shares fall since it rejected a 405p a share offer from the rival Hayes group last year.

Yesterday's coded profit warning, which came alongside further news of the group's demerger plans, saw the shares slip a further 6p to 276p. Sentiment was further dented by the revelation that the current finance director, Ian Adam, would not be staying with either of the companies resulting from the split.

Salvesen said volumes at its food services division, part of the continuing business and the UK's largest processor and packer of frozen peas, had been "significantly impacted" by the unseasonably wet weather in June and July. Tonnages processed were likely to be cut by around 40 per cent and the problem was being made worse by the increase in the value of the pound, sucking in imported peas from the Continent.

Meanwhile, Mr Adam, who had been earmarked to continue as Salvesen's finance director, will now only stay on to oversee the group's move from Edinburgh to Northampton to be completed in the next three months. He will get a pay-off amounting to £75,000.

Shares in Aggreko, the generator and temperature control equipment hire group which is being spun out of Salvesen, are expected to start trading on 29 September. Despite forecasts that both groups will make profits of around £31m or £32m this year, analysts expect Aggreko to open at around 150p a share, with Salvesen at about 125p.

PL to put genes into

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| STOCK MARKETS | | | | | | | | | | | |
|---------------|---------|------------|------|----------|----------|-----------------|------|----------------|------|--------------|------|
| FTSE 100 | | Dow Jones* | | Nikkei | | Short sterling* | | UK medium gilt | | US long bond | |
| 4900 | 4870.20 | +52.70 | +1.1 | 5086.80 | 4056.60 | 3.40 | 7.45 | 7.04 | 7.81 | 7.06 | 8.02 |
| 4800 | 4810.20 | +6.80 | +0.1 | 4729.40 | 4386.20 | 3.80 | 7.36 | 7.04 | 7.74 | 7.01 | 7.96 |
| 4700 | 4739.10 | +21.30 | +0.9 | 4248.00 | 2017.90 | 3.44 | 7.25 | 6.93 | 7.53 | 6.81 | 7.71 |
| 4600 | 4724.58 | -1.55 | -0.1 | 2374.20 | 2178.29 | 3.26 | 7.16 | 6.82 | 7.43 | 6.70 | 7.59 |
| 4500 | 4726.00 | +19.28 | +0.8 | 2376.39 | 1999.78 | 3.42 | 7.05 | 6.71 | 7.32 | 6.58 | 7.48 |
| 4400 | 4722.42 | -72.01 | -0.9 | 2529.31 | 5032.94 | 1.71 | 6.94 | 6.63 | 7.23 | 6.45 | 7.37 |
| 4300 | 4717.30 | -225.12 | -1.4 | 20681.07 | 17303.85 | 0.85 | 6.85 | 6.54 | 7.14 | 6.36 | 7.26 |
| 4200 | 4702.42 | -70.80 | -5.0 | 16573.27 | 12055.17 | 0.77 | 6.76 | 6.45 | 7.05 | 6.27 | 7 |



COMMENT

'A regulator that regards itself solely as a consumer protection agency, refusing all compromise, will ultimately end up damaging the industry it is meant to police, and therefore the interests of the consumers it is there to protect'

It is hard to know for whom the Personal Investment Authority's decision to fine DBS Financial Management £450,000 is more embarrassing – DBS or the PIA. The PIA on Monday fined DBS this record sum for "serious failings" linked to the pensions mis-selling scandal. That's obviously highly embarrassing for DBS. But it is also pretty embarrassing for the PIA. DBS's chairman, Ken Davy, sits on the PIA board, or did until he was prevailed upon to resign this week.

Worse still, the PIA's chairman is Joe Palmer, a former chief executive of Legal and General. L&G was recently singled out for special criticism by Helen Liddell, economic secretary to the Treasury, for failure to correct the pensions mis-selling scandal. Admittedly Mr Palmer has had nothing to do with L&G for some years now, so he cannot in any way be blamed personally for the company's tardiness in compensating victims, but he was there while the mis-selling was actually going on and can therefore be held ultimately responsible for it. If Mr Davy's position on the PIA has become untenable, what about Mr Palmer? Very embarrassing all round, it seems.

What lessons does this episode hold for Howard Davies, head of the super-SIB, as he struggles with the managerial issues of setting up the Government's giant new City regulator?

Most people might reasonably wonder why it is that practitioners, the people the PIA and others are meant to regulate, are represented

on these regulatory boards at all. The answer is that the PIA and its precursors were originally set up as self-regulating organisations. To all intents and purposes, the PIA is now a statutory regulator. The vestiges of self-regulation, nonetheless, remain. Seven out of the PIA's 17 directors are practitioners. The savings industry is also widely represented on the PIA's advisory panels.

And what's wrong with that, some will say? A regulator that regards itself solely as a consumer protection agency, refusing all compromise, will ultimately end up damaging the industry it is meant to police, and therefore the interests of the consumers it is there to protect.

It would also plainly be highly dangerous for regulators to set detailed rules and regulations to govern practitioners in complete isolation. Moreover, the very fact that the PIA was prepared to take such heavy-handed action against someone who

actually sits on its own board shows that the system works, that the PIA is not the organ of industry self-interest.

Unfortunately that is not the way the public will see it. There are usually a hundred good reasons why a complaint cannot or should not be upheld. The suspicion is that when regulator and regulated are one and the same, these excuses will always get the upper hand. It is just about possible for a poacher to turn gamekeeper, but the two roles should never be combined simultaneously.

The PIA will eventually be absorbed into the super-SIB, once the necessary legislation is in place. Plainly it is important that the needs and concerns of practitioners throughout the financial services industry continue to be represented in the new super regulator. But do practitioners really need to be represented at board level? Moreover, should they ever become involved in disciplinary matters? Strangely enough, experience at the PIA and other City regulators is that practitioners are among the most hawkish in disciplinary cases, presumably because of the perceived wider reputational risk of malpractice to their industries. Even so, they probably shouldn't be directly involved in it.

Finding a way of involving practitioners in the super-SIB in a manner that is meaningful but also acceptable to the new Government and the public is one of the main challenges faced by Mr Davies in the run-up to next April's launch.

What can Northern Rock gain from float?

Northern Rock's flotation at the beginning of next month brings to an end the penitent-from-heaven summer of windfalls. In theory, being last out of the blocks should give Northern Rock the advantage over the other converting building societies of learning from their mistakes. If that was the strategy, Northern has been only partially successful.

Listing particulars published yesterday show Northern has plumped for a flat share band on the Alliance & Leicester model, so avoiding the complexity of a Halifax-style tiered band. It claims this is the fairest approach. Nonsense. The effect is to reward Johnny-come-lately carpetbaggers at the expense of long-standing investors with more sizeable deposits.

More intellectually defensible is its determination to sell all unwanted shares in one auction before dealings in the open market begin. This should avoid the blatant market manipulation that has occurred in some of the other building society flotation.

Less clear cut is just why Northern Rock is floating in the first place, given its stated intention of sticking to its traditional business of taking deposits and offering mortgages. Unlike its peers, Northern Rock has no need to access the capital markets to fund an expensive expansion into insurance and long-term savings.

According to the company, floating is the best way of maintaining its independence, though why this should be is not adequately explained. In any case Northern Rock is less likely than many of its rivals to fall to a bid because it is better managed and more efficient than its peers. Moreover, Northern is saddled with a poison pill that will hand 15 per cent of its value to a charitable foundation in the event of a takeover.

Members are certain to pay for their new dividends through less keen borrowing and long-term savings.

lending rates. There is a good case for arguing that members would have been better served had Northern foregone the £3m of conversion and flotation costs and remained mutual.

Masters living on borrowed time

The continuing survival of Chris Masters at the helm of Christian Salvesen is one of those minor miracles of the modern age for which there is no rational explanation. Having seen Salvesen's management pass up a 40p/share offer from Hays last year, shareholders are having to make do with a stock price that languishes at just 276p. Chief executives have gone for a lot less. Fortunately for Mr Masters he has been given time to prepare an escape route. He'll be chairing the soon-to-be-independent Aggreko live division, easily the best part of the demerged group.

Not before the group managed to skid on another banana skin, however. This time it was the dreaded pea crop, which was washed out by this summer's unexpectedly heavy rains. As Britain's biggest processor of frozen peas, Salvesen was hit hard. An act of God maybe, but one which has damaged Salvesen before.

Ian Adam, the finance director, has decided to call it a day. How long before shareholders decide that Mr Masters might apply his talents elsewhere as well?

Hang Seng investors waver on a 'crazy' roller-coaster

Stephen Vines

Hong Kong

The roller-coaster which is the Hong Kong stock market plunged and soared yesterday as investors oscillated between moods of extreme pessimism and new found optimism. At one point during the day the blue-chip Hang Seng Index suffered a 525-point loss, taking it to a four-month low. However, by the close, the index had rebounded, gaining almost 310 points on the day – an increase of more than 2 per cent.

One trader described the day's business as "crazy, just crazy". He said that early indications were good as the London Hang Seng Reference Index had risen overnight. However, towards the end of the

morning session investors seemed disinclined to believe the good news and started flooding the market with sell orders.

By the end of the day some big institutional buyers, including Hong Kong's most high-profile businessman, Li Ka-shing, were reported to be coming back to the market, snapping up blue chips. Morgan Stanley was also reported to have been active in the market on behalf of some heavyweight clients. The securities house's activity sparked enthusiasm which carried through into the afternoon trading.

The finance sector, led by HSBC Holdings and its subsidiary the Hang Seng Index, registered the best performance with an overall 3.6 per cent gain. However, enthusiasm for

blue chips was not reflected elsewhere in the market where China associated stocks took a hammering, following on from the pounding they received the day before. The index measuring stocks controlled by Chinese state-run companies fell more than 12 per cent. Meanwhile, the "red chip" index tracking the shares of China associated companies fell almost 10 per cent.

The big plunge in these shares led to rumours that China was withdrawing its support from the market. However, the Chinese government quickly rushed out an assurance that it would not take any measures to undermine Hong Kong's economic stability. The improvement in blue-chip share prices reverses a five-day sell-off, which followed a period of lacklustre trading in the equi-

ty of Hong Kong's leading companies. While this was under way smaller counters and Chinese-related shares saw unprecedented volumes of trading and little price loss.

Yesterday, the all ordinary index dipped by slightly more than 1 per cent, suggesting that the market as a whole was far from a state of recovery. This underlines the feeling that a single day's change of sentiment is insufficient to bring the bulls back into the Hong Kong market.

The short-term outlook remains volatile and bearish based," said a commentary by Nikko Securities yesterday.

The relatively good news from Hong Kong was reflected to a more limited extent in both South Korea and Singapore, where share prices rose modestly. In Bangkok the troubled stock exchange finally stopped falling and registered a 4.4 per cent increase. However, the Thai baht hit a new low against the US dollar, closing at 34.65. The same fate befell the Philippine peso, which slumped to a record low against the dollar.

Meanwhile the ever-volatile Taiwan market continued to plunge alongside the B share markets in China which are open to foreign participation.

In Malaysia, where both share prices and the local currency registered declines, Prime Minister Mahathir Mohamad returned to the fray, hitting out at international speculators who have wiped 35 per cent off the value of the Malaysian ringgit in recent weeks. "We should shoot these people," he said.

US shares soar on hopes interest rates won't rise

Diane Coyle
Economics Editor

Wall Street shrugged off its recent gloom when share prices soared yesterday thanks to renewed hopes that US interest rates would not have to rise in the near future.

New figures suggested American industry grew at a slightly slower pace in August than in July, trimming the odds that the Federal Reserve would increase rates at its next policy meeting.

But experts said the stock market would stay volatile this week, with figures for job creation and wage rates last month due to be published on Friday.

Traders returned from Monday's Labor Day holiday to send the Dow Jones industrials index soaring as much as 179 points, or 2.1 per cent, to 7,801 by mid-morning. This recovery dwarfed Friday's 72-point fall. It also drew a line under the

Dow's 7.3 per cent decline during August, the worst one-month performance since the outbreak of the Gulf War in August 1990. The upbeat start across the Atlantic helped the FTSE 100 index in London close 82 points higher at 4,951.9.

The monthly survey of

industry by the National Association of Purchasing Managers, showing a slight drop in the pace at which US manufacturing is expanding, was given the explanation for the post-holiday euphoria in the financial markets, even though economists cautioned that the survey also revealed worrying evidence of inflationary pressures.

The index of activity eased back to 56.8 from 58.6 in July. Output and new orders grew more slowly last month.

On the other hand, three other components of the overall index – employment, prices and delivery times – pointed to increased inflationary pressures. Manufacturers reported they were creating new jobs for the sixth month running, while delivery times, an indicator of supply bottlenecks, lengthened.

Jonathan Basile, an economist at HSBC Markets in New York, said this was one of Alan Greenspan's favourite inflation indicators: "It means a longer time for producers to deliver their goods to buyers. That translates into an imbalance that could spell inflationary pressure."

The survey's prices index

picked up further in August after climbing above the 50 level in July, suggesting manufacturers have to pay more for materials. However, other economists said the strike at carriers UPS had increased delivery times. An increase in the price of Treasury bonds yesterday suggested the NAPM survey had relieved concerns about the outlook for interest rates.

Call to appoint ministers for each region

Michael Harrison

Business leaders yesterday called on the Government to appoint a full-time minister for each region of the country in a bid to kick-start economic development and improve competitiveness.

In a report to ministers the British Chambers of Commerce also recommended the whole system of regional support be streamlined so that regional development agencies took over most of the responsibilities of agencies such as English Partnerships, the Rural Development Commission and regional government offices.

Another of its recommendations is that business leaders be given a much more central role in the planning and implementation of regional economic development. It calls for, for instance, the creation of a single unified business support organisation to integrate the functions currently carried out separately by individual chambers, Business Links and Training and Enterprise Councils.

The aim of appointing dedicated ministers for different regions would be to ensure effective representation of each

IN BRIEF

IMI may move production overseas

IMI, the engineering group, warned it was considering moving some of its production away from the UK if the pound continued its rise against the mark and the dollar. The group also said it would sack another 300 workers around the world in the second half of the year, following 900 redundancies in the past six months, as part of a large-scale cost-cutting program. IMI pleased the market by announcing a rise in operating profits to £70.4m (£67.2m) despite a £10m hit due to the strong pound and its shares rose 18p to 358.5p.

Investment column, page 20

Goode Durrant buys rentals firm for £28m

Goode Durrant is to buy Transport Development Group Rentals from Transport Development Group for £28.2m. Goode Durrant said it would raise £2.9m through a placing of 5.4 million shares at 420p, and would borrow the remaining £5.3m. "The purchase of TDG Rentals will, in the first full year under Goode Durrant's ownership, result in greater earnings share than would have been achieved without the acquisition," the company said. TDG Rentals has a fleet of 2,440 vehicles, as well as depots, and is free of debt, and will be used to develop Goode Durrant's commercial vehicle hire business in Northgate.

Ranger Oil and Elan Energy to merge

Ranger Oil has agreed to merge with Elan Energy in a deal worth \$356m (£258m). Ranger will pay Elan shareholders CS10.55 per share or 7.9026 of a Ranger share. The merged group will be one of the 10 largest independent public Canadian oil companies, with a portfolio of natural gas, light oil and heavy oil production. The bigger group hopes it will have more financial clout to develop heavy oil deposits, which are vulnerable to the cyclical nature of oil price.

Greennalls sells four hotels for £21m

Greennalls Group has sold four De Vere hotels for £21.1m in cash. The three three-star hotels – Tillington Hall in Stafford, The Abbey in Great Malvern and The Bull in Gerrards Cross – have been bought by Sarova Hotels for £15.2m, while the four-star De Vere Coventry was sold to Britannia Hotels for £5.9m. De Vere now operates 16 hotels.

Casino rejects takeover bid by Promodes

Casino's board has rejected Promodes's takeover bid, a move analysts said could raise the price of what would be France's biggest retail merger. "Taking into account the results and the prospects of the Casino group, the members of the supervisory board have declared themselves unanimously against this offer," the board said. On Monday Promodes made a Fr19.1bn (£1.95bn) unsolicited bid for Casino and a Fr8.7bn offer for Rallye, which owns a third of Casino. The Rallye board, which also met yesterday, hasn't yet declared its intentions. If the long-expected bids are successful, Promodes would become the country's largest retailer, ahead of Leclerc and Carrefour.

Capita wins £9.5m Naafi contract

Capita has won a £9.5m contract awarded by the Navy, Army, Air Force Institutes (Naafi) to run its central administrative support services over five years. By November Capita will manage Naafi's central administrative support services, which include accounts, payroll, personnel and pensions administration and related IT services. More than 160 Nottingham-based staff will transfer to Capita as part of the contract.

UK official reserves rise \$10m in August

UK official reserves rose an underlying \$10m in August following an \$18m rise in July, the Treasury said. The overall level of official reserves fell by \$5m in August, bringing the end-August reserves to \$41.106bn.

New MJN Best Buy MMX Systems

MJN's 200M system based on Intel Pentium 200MHz processor with MMX™ technology, large 4.3Gb hard drive, 32Mb RAM, super 15" screen and 33.6 voice modem is now available at a truly sensational price of just £999 +VAT

The new 200M-2 systems featuring faster IBM MX processor with MMX Technology provides the highest specification with a massive 64Mb RAM, 56K voice modem, 24x speed CD and latest 3D advanced graphics using 4Mb and 3D Waveable software stereo sound - all from an amazing £1099 +VAT

MJN 200M

- Intel Pentium® 200MHz processor with MMX™ technology
- 32Mb EDO RAM
- 4.3Gb hard disk
- 16 speed MAX CD-ROM drive
- 33.6 V34+ voice modem
- 15" SVGA 0.28dp screen
- 256K pipeline burst cache
- 64Mb EDO graphics using 2Mb system RAM
- 16-bit stereo sound
- SoundForce 325 stereo mains powered speaker system
- MJN 7 bay midi tower system (not shown)
- Windows® 95 and Lotus SmartSuite 97
- Standard features listed below

£1173.83 Including VAT

£999 Plus VAT

Model: 595

MJN 200M-2

- 64Mb PR200 processor with MMX™ technology manufactured by IBM
- 64Mb EDO RAM
- 4.3Gb hard disk
- 24 speed MAX CD-ROM drive
- 56K fax voice modem
- 17" SVGA 0.28dp screen
- 512K pipeline burst cache
- 64Mb advanced graphics using 4Mb system RAM
- 3D stereo sound with Waveable software
- External speaker system with large subwoofer
- MJN advanced ATX midi tower system
- Windows 95 and Lotus SmartSuite 97
- Standard features listed below

£1291.33 Including VAT

£1099 Plus VAT

Model: 596

MJN 200M-2 XL

- 64Mb PR200 processor with MMX™ technology manufactured by IBM
- 64Mb EDO RAM
- 4.3Gb hard disk
- 24 speed MAX CD-ROM drive
- 56K fax voice modem
- 17" SVGA 0.28dp screen
- 512K pipeline burst cache
- 64Mb advanced graphics using 4Mb system RAM
- 3D stereo sound with Waveable software
- External speaker system with large subwoofer
- MJN advanced ATX midi tower system
- Windows 95 and Lotus SmartSuite 97
- Standard features listed below

£1526.33 Including VAT

£1299 Plus VAT

Model: 598

Standard Features

Currency concerns haunt IMI

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

putting the shares on a prospective p/e ratio of 12.

IMI is slowly shrugging off its Midlands metal bashing image and is now sitting on an unjustified 20 per cent discount to the market. Good value.

CMG's rating at a dizzying high

CMG, the Anglo-Dutch computer services group, is spreading a little happiness, at least to its shareholders. For a start, around 30 per cent of the company is owned by its employees.

Lucky them. Since it floated in Holland and the UK at 290p a share at the end of 1995, the price has soared. After yesterday's rise to 1,477.5p, the group's shares stand on a prospective rating of 43 times earnings – pretty dizzying even for those accustomed to the stratospheric valuations of IT stocks.

Is this rating justified? Only partly. The company has an impressive record of attracting and keeping staff, vital in an industry where chronic people

shortages are the only real restraint on growth. CMG's 11 per cent staff turnover is half the industry average. And by requiring all staff to take chunky shareholdings in the company, CMG keeps wage inflation at just 10 per cent, while discouraging job-hopping to chase the best salaries.

CMG's size and strong presence in both the Netherlands and UK also means that can attract global clients. It is also positioned in the fastest-growing IT markets – finance, telecoms and information processing represent 60 per cent of turnover – where customers such as Deutsche Bank have deep pockets.

CMG thinks it can grow faster than an already soaring market. It is certainly justified in believing that demand for IT services will continue, even when the year 2000 and Euro crises just a tenth of its work, have faded.

But it is hard to see how CMG can sustain current growth rates. Part of the 33 per cent leap in half-year profits to June was a result of a return to profit in Germany.

Those arguing that a weaker pound will prompt further profit upgrades are considering only CMG's UK shareholders. The profit rise in constant cur-

rency would have been 60 per cent in Dutch guilders.

Just as enthusiasm from CMG's Dutch shareholders has driven the group's share price, any weakening of the pound may prompt profit downgrades in Holland.

Ross Jobber from UBS forecasts full-year profits of £34.5m. On its current rating, CMG will be hit hard if it fails to match expectations. High enough.

Wimpey treated unfairly by City

George Wimpey has almost completely reinvented itself since swapping its contracting and quarrying interests for Tarmac's McLean Homes house-building operations. Unfortunately, the company has remained studiously unimpressed and, despite a soaring stock market, the shares, down another 4p at 126p yesterday, are almost exactly where they were when the deal was announced at the end of 1995.

That seems unfair, as Joe Dwyer, the Wimpey chairman and chief executive, has delivered on nearly all his promises. Yesterday's interim results to June showed the UK's biggest house-builder swinging from a loss of £3.6m to profits of £1.25m in the six months to June. The half-way dividend, held at 2p, is covered for the first time for years, gross margins in both Wimpey Homes and McLean are at 20 per cent or above and both operations are on target to reach 6,000 house completions by 1998 or 1999.

Wimpey appears to have done well out of the Tarmac swap. However, the market retains fears that the group is having to spend lavishly to lengthen its land bank, particularly at McLean and in the south. The £14m spent on land this year leaves Wimpey Homes' land reserves at 3.1 years' sales and McLean's at a thinnish 2.5 years. But Wimpey does not appear to be over-spending, with land costs at between 20 and 25 per cent of sales price, while long-term land banks remain strong.

Indeed, with the housing market in upswing at the moment, Wimpey should squeeze at least three more years' growth out of its basic business, while also moving into new areas such as luxury homes, refurbishment and sheltered housing.

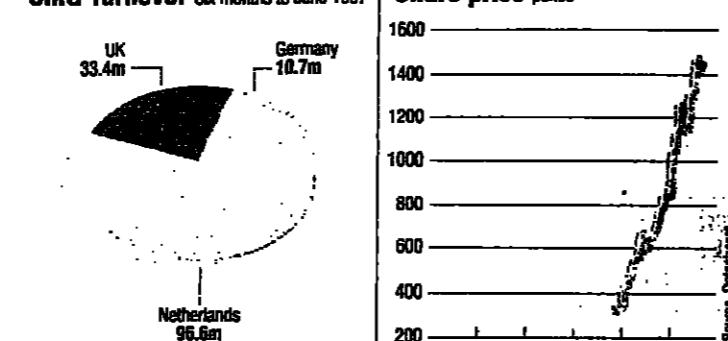
Full-year profits of £60.8m would put the shares on a forward rating of just 11. Too low, but likely to remain so while fund managers PDMF and Mercury Asset Management sit on around 50 per cent of the shares.

CMG: At a glance

Market value: £544m, share price 1477.5p (+42.5p)

| Five-year record | 1994 | 1995 | 1996 | 1997 | Half year |
|-------------------------|---------------|------|------|------|-----------|
| | Turnover (£m) | 146 | 196 | 245 | |
| Pre-tax profits (£m) | 14.1 | 18.5 | 27.5 | 11.3 | 15.1 |
| Earnings per share (p) | 13.9 | 18.2 | 27.4 | 11.4 | 14.9 |
| Dividends per share (p) | 5.00 | 4.45 | 6.00 | 2.0 | 2.6 |

CMG Turnover Six months to June 1997



Share price £pence

Source: Standard & Poor's

1600
1400
1200
1000
800
600
400
200

92 93 94 95 96 97

Even so, Panmure Gordon is forecasting full-year profits of £147m,

Company Results

| | Turnover £ | Pre-tax £ | EPS | Dividend |
|------------------------|-------------------|---------------------|----------------|---------------|
| Peter Black (F) | 154.6m (122.5m) | 17.1m (7.8m) | 19.71p (7.6p) | 6.2p (5.5p) |
| CA Crafts (I) | 12.21m (8.75m) | 938.484 (564.000) | 6.2p (3.6p) | 0.9p (0.75p) |
| CRM (I) | R1.39m (R1m) | R65.7m (R64.1m) | 13.29 (13.96p) | 3.45p (3.08p) |
| CMG (I) | 1,307m (116.82m) | 15.12m (11.34m) | 14.5p (11.4p) | 2.5p (2.0p) |
| Ocean Motors (I) | 17.6m (12.45m) | 4.01m (2.35m) | 12.7p (9.7p) | 2.5p (2.0p) |
| Emerald Energy (I) | 229.015 (248.248) | -160.334 (-224.301) | -6.02p (0.55p) | |
| James Flalty (I) | 50m (56m) | 2.6m (4.9m) | 1.6p (2.8p) | 1.8p (1.5p) |
| Heritage Bathrooms (F) | 18.69m (15.2m) | 3.82m (2.93m) | 14.4p (11.7p) | 6.4p (5.2p) |
| Iceland (I) | 711.2m (681.3m) | 17.9m (29.8m) | 3.44p (7.05p) | 1.8p (1.8p) |
| IMI (I) | 715m (690m) | 79.4m (138m) | 14.4p (31.1p) | 5.4p (5.0p) |
| Lambert Howarth (I) | 51.1m (45m) | 1.7m (790,000) | 7.8p (4.4p) | 2.75p (2.25p) |
| Line Printing (F) | 21.3m (17.3m) | 2.6m (1.79m) | 11.1p (8.0p) | 2.7p |
| Macra 4 (F) | 33.45m (36.32m) | 10.3m (12.15m) | 33.8p (37.5p) | 15.3p (24.3p) |
| Mears Group (I) | 7.07m (6.82m) | 372,000 (205,000) | 0.54p (0.43p) | 0.1p (nil) |
| Paragon (I) | — | 27.804 (35.793) | 0.37p (0.44p) | nil |
| Paragon Foods (I) | 14.2m (9.5m) | 1.025m (956,000) | 3.7p (3.5p) | 2.5p (2.4p) |
| Partex Group (I) | 174.5m (88.02m) | 9.085m (4.367m) | 9.4p (9.7p) | 2.6p (2.5p) |
| Perk (I) | 63.7m (71.5m) | -1.31m (-3.44m) | -0.7p (1.8p) | 0.4p (1.05p) |
| PPL (I) | 541,000 (2.13m) | -5m (-8.69m) | -0.2p (-0.28p) | |
| Savac Group (I) | 203.7m (182.1m) | 4m (3.77m) | 4.1p (3.5p) | 3.2p (3.2p) |
| Sercos (I) | 244.4m (25.32m) | 10.17m (8.8m) | 11.5p (8.6p) | 2.0p (1.7p) |
| Stadios Group (I) | 31.4m (25.32m) | 2.74m (2.19m) | 6.0p (7.0p) | 1.65p |
| Thistle Hotels (I) | 160.2m (148m) | 34.1m (24.1m) | 5.87p (5.01p) | 1.4p |
| Trafficmaster (I) | 2.39m (2.11m) | -594,000 (-1.42m) | -5.1p (-5.2p) | |
| George Wimpey (I) | 5.39m (5.93m) | 12.5m (-8.8m) | 2.03p (-1.68p) | 2.0p (2.0p) |

(F) - Final (I) - Interim (M) - Nine months

Thistle a 'lousy investment' say shareholders

Andrew Yates

Thistle Hotels, one of the UK's largest hotel groups, came under fire from angry shareholders and analysts yesterday when it announced disappointing profits for the six months to July, causing its share price to plunge 19p to 132p compared to last October's flotation price of 170p.

The poor figures prompted analysts to predict that the strong growth the London ho-

tel market has enjoyed over the past few years was beginning to slow.

One of Thistle's institutional shareholders said: "We are very disappointed with Thistle. It has been a lousy investment since it floated and we are not happy."

Industry sources suggest

Thistle may now be a bid target

or that rivals could look to buy a large stake in the group.

Brierley Investments, the New

Zealand-based investment group, and the Singapore government own about two-thirds of the company and are allowed to sell their shares any time from next month.

One leading analyst said yesterday: "Thistle was overhyped at flotation. The share price fall makes it more likely that rivals will look at Thistle and there will be some corporate activity."

Bruce Jones, analyst at the group's house broker, Merrill

Lynch, said: "There is no doubt that the London hotel market will slow down by 1998 due to the cyclical economy and the strength of the pound. Occupancy rates are already showing signs of peaking."

He has downgraded Thistle's profit forecasts by £10m to £80m for the current year.

Thistle announced a 9 per cent rise in operating profits to £5.5m for the six months to July but warned that operating prof-

its for the financial year would only be "slightly above that achieved in the first half".

Robert Peel, Thistle's chief executive, said: "I am obviously disappointed for our shareholders. We did not do as well as hoped. However our strategy has not changed."

Mr Peel denied that administration costs were getting out of control after they jumped 18 per cent to £7.9m in the first half. He said most of the in-

crease was due to one-off costs associated with the group's flotation last year and a £300,000 increase in directors' pay.

Thistle also launched a £450,000 marketing campaign to attract customers from America after fears that the rising pound would hit custom.

However its initiatives were not enough to stop revenue from Japanese and European customers falling sharply due to sterling's strength.

Iceland offers home delivery from all stores

Nigel Cope

City Correspondent

Iceland, the struggling frozen food retailer, yesterday announced the nationwide roll-out of its home delivery service in a move that will create 1,000 jobs. The service, which has been tested for a year, will be available in all Iceland's 770 outlets by the end of this month.

Malcolm Walker, chairman, said home delivery would attract new shoppers, expand its demographic target market and increase the average spend in its shops: "We'll see no benefit from this for a year and it will be a long haul. But we are doing something unique. There are massive costs but it is getting massive take-up. The customers love it."

The comments came as Iceland announced an 18 per cent fall in pre-exceptional half-year profits to £24.5m. The company could not explain how its results came to appear in one national newspaper a day ahead of schedule. The Stock Exchange expressed some concern but said there had been no breach of its rules.

Iceland's home delivery service is free to customers though they must hold the company's Privilege loyalty card and spend a minimum of £25. The draw-back is that customers must visit the store to make their purchases and must live within a 10-mile radius (or three miles within the M25).

Deliveries are made during normal trading hours within two-hour time slots.

Mr Walker said the service

would be attractive to its core market which is the 60 per cent of British housewives who do not have access to a car from Monday to Friday. Half its stores do not have car parks.

Iceland has spent £1.2m developing the system. It has bought 850 refrigerated vans and will employ an extra 1,000 staff. It is testing a telephone ordering system in one area using a call centre at its head office in Desford in north Wales.

Though Mr Walker claimed the launch was a unique system that was ahead of rivals, it was criticised by analysts. David McCarthy, food retail analyst at BZW, said: "I don't think it will work. It is too expensive to run and too easily copied."

Somerset is testing a similar home delivery system with telephone ordering. Others are well advanced with Internet ordering and call-and-collect systems, where customers order by phone or fax then visit the store to collect their shopping.

Another analyst said: "They had come up with a new idea but you still wonder where the growth is going to come from. I don't believe it will win new shoppers to the chain."

In the six months to 28 June Iceland improved its sales by 4.4 per cent to £71.1m. Like-for-like sales rose by 1.1 per cent during the period and are up by 2 per cent in current trading.

The company said it expected home delivery to increase sales by a level sufficient to cover its costs.

market report / shares

Data Bank

| FTSE 100 | 4952.2 | +82.0 |
|-----------------|--------|-------|
| FTSE 250 | 4533.5 | +13.0 |
| FTSE 350 | 2388.5 | +14.0 |
| SEAD VOLUME | 704.3 | +2.9 |
| 42,819 BIDS/ADS | 10.0 | -0.0 |
| GROWTH | 97.0% | +0.0% |
| Share spotlight | 10.0% | +0.0% |

Unlikely trio lead the pack as Footsie goes for a run

It may be a coincidence – or then it may not – but an unlikely collection of stock market takeover candidates eased themselves to new highs.

On the surface Alliance & Leicester, the building society turned bank, Commercial Union, the old established insurance group, and Norwich Union, the insurer which arrived in June, have, apart from their fascination with money, little in common.

Yet in often brisk trading A&L rose 12.5p to 642.5p with the now-inevitable speculation that bid activity is imminent prompting much of the interest.

A&L is seen as obvious fodder for a clearing bank – Barclays? – or another ex-building society such as Halifax.

Its shares, when dealings started in April, ended their first session at 566.5p. Former members who sold on conversion got 533.7p a share.

And CU, for long the subject of the City's rumour mill, rose 9.5p to 757.5p. An array of bidders, ranging from the German Allianz to a domestic operation such as General Accident, have for long been linked with the group.

Norwich was regarded as a bid target even before it came to market in June. It is due to go into Footsie later this month, an event which keeps the shares on their toes.

The price rose 6p to 550.5p,

a closing peak with the nagging fear that Halifax, known to be nursing ambitions about expanding into insurance, is preparing to go on the warpath.

The unlikely threesome were not the only financial shares, which have lost some of their exuberance lately, to hit the high spots. Royal Sun & Alliance, the insurer, jumped 29.5p to 537.5p and General Accident 42.5p to 960p.

The rest of the market enjoyed another captivating run with Footsie ending 82 points higher at 4,952.2. The gentle evaporation of Pacific fears and a robust New York display in early trading fuelled the gain. It was the biggest advance for two months.

As if underlining that Far Eastern markets were riding out the storm, HSBC, by far the most casualty of the Tiger turmoil, recovered 96p to 2,006p. Standard Chartered put on 30p to 862.5p.

British Aerospace flew 50.5p, a 150p low last month. The aero group responded to an order for 65 aircraft, worth \$4bn, won by its Airbus Industrie associ-

ate. BAe has a 20 per cent interest in Airbus and makes the wings for its aircraft. It is likely that Airbus will, in the not-too-distant future, be rolled up and floated.

Such a move would enhance BAe's share of the consortium and there is speculation it would hand its interest directly to shareholders as a share bonus.

Body Shop International was the best-performing retail share with a combination of takeover and trading revival stories influencing the action: the shares rose 17p to 189.5p. They were bumping along at a 150p low last month.

The company, which has

achieved little profits headway over the past four years, has high hopes of a home selling exercise, based on the Superware concept.

Thistle Hotels' disappointing profits display lowered the shares 19p to 132.5p and George Wimpey, the nation's biggest house-builder, lost 4p to 126p following interim results.

WH Smith, still seeking a chief executive, firmed 11p to 390.5p, best for two months. Hopes continue to circulate that during the present power vacuum a brave break-up bidder will appear. The market is divided about the merits of a break assault with many taking the view a sum-of-the-parts calculation does not support such a manoeuvre. Smith is not expected to produce a new chief executive, replacing Bill Cockburn who is joining BT, until next month.

Bluebird, the toys group, held at 92.5p. Guinness Peat, run by New Zealand entrepreneur Sir Ron Brierton, has picked up another 75,000 shares, lifting its stake to 9.18 per cent. Guinness Peat has established a reputation for building stakes in what it regards as undervalued companies. It has sighted on obscure groups such as Gowings, the Burger King and garage chain, and Young & Co's Brewery. Bluebird's last set of figures showed interim profits down from £3.1m to £1.9m.

The shares were 20p early this year and hit 386p around Christmas last year.

First Leisure Corporation edged back into the takeover frame, gaining 5.5p to 309.5p. Bass, up 15p to 849p, remains the favourite to strike.

Cliveden, the hotel chain which has been the subject of takeover speculation, fell 3.5p to 60p, back to the low hit last month.

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unit trusts

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Foreign Exchange Rates

| STERLING | | DOLLAR | | | D-MARK | | |
|--------------|---------|---------|----------|--------|-----------|-----------|---------|
| Country | Spot | 1 month | 3 months | Spot | 1 month | 3 months | Spot |
| US | 1.5836 | 22-50 | 54-61 | 1.000 | - | - | 0.4665 |
| Canada | 2.2045 | 71-00 | 209-201 | 1.2658 | 32-31 | 59-65 | 0.7549 |
| Germany | 2.3207 | 57-60 | 269-276 | 1.8322 | 38-38 | 117-118 | 1.0000 |
| France | 8.8233 | 340-320 | 820-880 | 8.1675 | 118-113 | 369-340 | 3.3651 |
| Italy | 2.045.1 | 0.2-1.4 | 1.5-6.7 | 1.7843 | 17.4-17.7 | 48.5-48.0 | 97.582 |
| Japan | 163.80 | 104-100 | 307-312 | 121.61 | 52-51 | 152-161 | 66.3336 |
| ECU | 1.4800 | 35-31 | 108-101 | 1.0722 | 14-15 | 45-47 | 0.5084 |
| Belgium | 6.1300 | 21-15 | 55-51 | 37.845 | 2.6-7.4 | 22.9-22.4 | 20.8493 |
| Denmark | 11.120 | 360-230 | 1010-800 | 5.8776 | 118-115 | 385-355 | 3.8072 |
| Netherlands | 3.2800 | 106-88 | 319-304 | 2.0844 | 49-42 | 7.7-8.1 | 1.1284 |
| Ireland | 1.0848 | 8-2 | 22-16 | 1.4881 | 8-7 | 18-16 | 0.3714 |
| Norway | 12.075 | 380-280 | 820-820 | 7.5769 | 147-142 | 458-418 | 4.1342 |
| Spain | 246.24 | 37-28 | 116-67 | 154.52 | 5-4 | 23-21 | 84.3105 |
| Sweden | 12.952 | 310-240 | 920-800 | 7.9358 | 93-85 | 289-279 | 4.3918 |
| Switzerland | 2.3587 | 114-105 | 342-326 | 1.5088 | 54-53 | 161-159 | 0.8216 |
| Australia* | 2.1809 | 39-34 | 125-118 | 1.3748 | 7-5 | 25-23 | 0.7301 |
| Hong Kong | 12.549 | 16-2 | 102-45 | 7.7490 | 5-6 | 13-15 | 4.2221 |
| Malaysia | 4.6589 | 34-51 | 102-143 | 2.9255 | 40-50 | 126-145 | 1.5551 |
| New Zealand | 2.5754 | 28-35 | 63-77 | 1.5784 | 7-9 | 31-33 | 0.8612 |
| Saudi Arabia | 5.9770 | 37-33 | 129-110 | 3.7508 | 6-8 | 15-19 | 2.0464 |
| Singapore | 2.4157 | 49-44 | 153-141 | 1.5165 | 19-16 | 56-53 | 0.2274 |

OTHER SPOT RATES

| Country | Argentina | Australia | Brazil | China | Egypt | Finland | Greece | India | Kuwait | Nigeria | Oman | Pakistan | Philippines | Portugal | Qatar | Russia | South Africa | Taiwan | UAE | |
|---------|-----------|-----------|---------|-------|-------|---------|--------|-------|--------|----------|---------|----------|-------------|----------|-------|--------|--------------|--------|-----|--|
| | 1,5537 | 0,9998 | | | | | | | | 131,027 | 82,2000 | | | | | | | | | |
| | 60,0545 | 12,6992 | | | | | | | | 0,6138 | 0,2681 | | | | | | | | | |
| | 1,7408 | | 1,0320 | | | | | | | 64,5243 | | 46,4785 | | | | | | | | |
| | 13,2116 | | 8,2683 | | | | | | | 49,0952 | | 30,8000 | | | | | | | | |
| | 5,4185 | | 3,4010 | | | | | | | 295,888 | | | 165,640 | | | | | | | |
| | 8,7795 | | 5,5142 | | | | | | | 5,0016 | | | 3,6415 | | | | | | | |
| | 2614,77 | | 2255,00 | | | | | | | 5614,48 | | | 5961,65 | | | | | | | |
| | 459,185 | | 268,000 | | | | | | | 7,4988 | | | 4,7050 | | | | | | | |
| | 56,1784 | | 36,5075 | | | | | | | -45,0086 | | | 26,9000 | | | | | | | |
| | 0,4865 | | 0,3022 | | | | | | | 5,8548 | | | 3,5730 | | | | | | | |

Twist Rates

Tourist Rates

| | 1 Day | 1 Week | 1 Month |
|-----------------------|-------------|-------------|-------------|
| Australia(Dollar) | 2.1470 | 2.1530 | 2.1540 |
| Austria(Schilling) | 20.0100 | 20.0100 | 20.0100 |
| Belgium(France) | 68.7500 | 68.7500 | 68.7500 |
| Canada(Dollar) | 2.1760 | 2.1760 | 2.1760 |
| Cyprus(Pound) | 0.8405 | 0.8405 | 0.8405 |
| Denmark(Krone) | 10.9875 | 10.9875 | 10.9875 |
| Holland(Guilder) | 3.1910 | 3.1910 | 3.1910 |
| Finland(Markka) | 0.6220 | 0.6220 | 0.6220 |
| France(France) | 9.9300 | 9.9300 | 9.9300 |
| Germany(Dollar) | 2.8425 | 2.8425 | 2.8425 |
| Greece(Drachma) | 44.9350 | 44.9350 | 44.9350 |
| Hong Kong(Dollar) | 12.1000 | 12.1000 | 12.1000 |
| Ireland(Punt) | 1.0250 | 1.0250 | 1.0250 |
| Italy(Lira) | 3765.0000 | 3765.0000 | 3765.0000 |
| Japan(Yen) | 161.5000 | 161.5000 | 161.5000 |
| Malta(Liri) | 0.6210 | 0.6210 | 0.6210 |
| New Zealand(Dollar) | 2.4725 | 2.4725 | 2.4725 |
| Norway(Krone) | 11.7800 | 11.7800 | 11.7800 |
| Portugal(Escudos) | 268.3000 | 268.3000 | 268.3000 |
| Spain(Peseta) | 238.7500 | 238.7500 | 238.7500 |
| Sweden(Krona) | 12.4100 | 12.4100 | 12.4100 |
| United Kingdom(Pence) | 2.3320 | 2.3320 | 2.3320 |
| Turkey(Lira) | 257150.0000 | 257150.0000 | 257150.0000 |
| United States(Dollar) | 1.5720 | 1.5720 | 1.5720 |

Interest Rates

| UK | | Germany | US | | Japan | |
|--------------|-------|----------|-------|-------------|-------|-------------|
| Bear | 7.00% | Discount | 2.50% | Funds | 8.50% | Discount |
| France | | Lombard | 4.50% | Discount | 5.00% | Belgium |
| Intervention | 3.10% | Canada | | Fed Funds | 5.50% | Discount |
| Italy | | Prime | 4.75% | Spain | | Central |
| Discount | 6.25% | Discount | 2.90% | 10-Day Repo | 5.25% | Switzerland |
| Netherlands | | Demand | | Sweden | | Discount |
| Advances | 3.00% | Discount | 3.25% | Repo (Avd) | 4.10% | Lombard |

| | 1990 | 1991 | 1992 | 1993 |
|-----------|--------|------|-------|------|
| Japan | 5.0% | 1.16 | 2.90% | 2.10 |
| Australia | 10.00% | 5.90 | 6.73% | 6.34 |

| | 6 Night | 7 Day | 8 Day |
|-----------------------------|---------|-------|-------|
| Interbank Swingline L/Ts | 84 | 7 1/2 | 6 1/2 |

| Contract | Settlement price | High/Low for day | ExComs traded | Open interest |
|------------------|------------------|------------------|---------------|---------------|
| Long Gilt | 114-30 | 115-00 | 114-19 | 38934 |
| German Govt Bd | 102.37 | 102.45 | 102.05 | 203942 |
| Italian Bond | 137.22 | 137.55 | 136.36 | 71215 |
| Japan Govt Bd | 127.69 | 128.01 | 127.94 | 3513 |
| 3 Mth Sterling | 92.73 | 92.74 | 92.70 | 15304 |
| 3 Mth ECU | 92.56 | 92.58 | 92.54 | 32635 |
| 3 Mth Eurodollar | 96.58 | | | 0 |
| | 96.45 | 96.47 | 96.43 | 31115 |
| 3 Mth Eurofranc | 93.19 | 93.23 | 93.17 | 20653 |
| | 93.55 | 93.58 | 93.52 | 25451 |
| 3 Mth Euroyen | 92.42 | | | 0 |
| 3 Mth Euroswiss | 98.56 | 98.60 | 98.53 | 6433 |
| | 98.31 | 98.36 | 98.29 | 18003 |
| 3 Mth ECU | 95.52 | 95.63 | 95.61 | 1345 |
| | 95.53 | 95.54 | 95.51 | 739 |

| | | |
|----------|--------|----|
| FTSE 100 | Sep 97 | 40 |
| FTSE 250 | Sep 97 | 41 |

| Liffe FTSE 100 Index Option | | | | | |
|-----------------------------|---------------------|---------|---------|-----------------------|--------|
| Settlement price: 4963 | closing offer price | | | Call/Put Total/vol | |
| Series | 4900 | 4950 | 5000 | 5050 | |
| Sep | 157/80 | 124/78 | 95/102 | 70/131 | |
| Oct | 222/108 | 183/131 | 164/154 | 136/178 | |
| Nov | 283/148 | 254/170 | 226/192 | 197/215 | |
| Dec | 324/171 | 293/192 | 265/214 | 236/237 | 110/16 |

Commodities

| INDUSTRIAL METALS - London Metal Exchange | | | | | | |
|---------------------------------------------------------------------------------------------------------------|---------------|---------------------|----------------|------------------------------------------------------|-----------------|-------------------|
| Shmns | Cash | 3 mths | Volume | LME Stocks | chng | |
| Alumin HG | 15785-89.5 | 1807.07-07.5 | 113816 | 702000 | + | 3200 |
| Alumin Alloy | 14150-250 | 14464.00-00 | 1158 | 53600 | - | 300 |
| Copper A | 21500-0-52.0 | 21050-58.0 | 42698 | 278625 | + | 1025 |
| Lead | 657.30-25.0 | 644.00-0.00 | 5840 | 122250 | - | 150 |
| Nickel | 54040-600 | 5360-6200 | 26274 | 59578 | - | 68 |
| Tin | 5335-5345 | 5335-5385 | 4658 | 379450 | - | 75 |
| Zinc | 16500-0-65.0 | 16520-20.0 | 17734 | 11520 | - | 40 |
| Saltmins; Corrosives exchange rates: | OS 1.5677 | \$Dn 1.8218 | \$P 121.55 | Stock volumes & change in tonnes as at Tue 02 Sep | | |
| PRECIOUS METALS | | | | | | |
| per fin. Oz | \$ | £ | Coins | \$ | £ | \$ |
| Patinum | 410.90 | 258.70 | Briantia | 360 | 220 | Krugerrands |
| Palladium | 187.50 | 117.25 | Briantia 5 oz | 192 | 121 | Socis |
| Silver spot | 4.70 | 2.94 | Briantia 25 oz | 88 | 58 | Nobles |
| Gold BuFn | 322.40 | 202.51 | Briantia 10 oz | 38 | 24 | Maple Leaf |
| | | | | | | Source: Spot & B. |
| AGRICULTURAL | | | | | | |
| Cocoa | Coffee | Barley | | | Potatoes | Potatoes |
| LIFFE | £/tonne | LIFFE | Shmns | LIFFE | £/tonne | ATA |
| Sep | 1127 | Sep | 1623 | Sep | 78.00 | New |
| Dec | 1162 | Nov | 1640 | Jul | 61.50 | Mar |
| Mar | 1178 | Jan | 1640 | Jan | 63.50 | Apr |
| Vol: | 8892 | Vol: | 9308 | Vol: | 143 | Vol: |
| White Sugar | Freight | Wheat | | | Com | 1000 Pds |
| LIFFE | Shmns | LIFFE \$/Mds per pt | LIFFE | Shmns | CBOT # | Carts/bushel |
| Oct | 221.70 | Aug | 1389 | Sep | 65.50 | H-Ld |
| Dec | 222.20 | Sep | 1480 | Nov | 68.50 | Satd |
| Mar | 223.00 | Vol: | 1315 | Jan | 88.75 | 261.5 |
| Vol | 2387 | Index | 1334 | Vol: | 455 | 273.50-265.25 |
| | | | | | Mar | 271.75-275.25 |
| Other Softs (Agricultural) | | | | | | Source: C. |
| unq | Milk (No.3)** | Shmns | unq | Sep | Soya Oil | FL/100kg |
| Sep/Oct | Cotton (f) | Shmns | 114.0 | Sep/Oct | Coconut Oil (f) | Shmns |
| Oct | Cotton (M) | UScent/lb | 72.25 | | Sunflower Oils | Shmns |
| unq | Wool | Acre/Hg | unq | Sep/Oct | Repeased Oil | FL/100kg |
| Oct | Rubber* | Mount/Hg | 230.0 | Aug/Sep | Groundnut Oil | Shmns |
| Orgins: *Sudan/EC - many origin **Philippines/Indonesia - Malaysia ***N Europe Source: FT Information/Reuters | | | | | | |
| ENERGY | | | | | | |
| Brent Crude | (\$/barrel) | Gassol | (\$/tonne) | WTI | Products f | (\$/tonne) |
| IEE | 5.30pm | *chng | Trd ago | IEE | close | *chng |
| Oct | 18.58 | +0.14 | | Sep | 184.75 | +1.25 |
| Nov | 18.67 | +0.03 | | Oct | 167.00 | +1.25 |
| Dec | 18.73 | +0.03 | | Nov | 169.00 | +1.25 |
| Vol. | 20769 | Index | 18.51 | Vol: | 10415 | Dec 20.00 |
| | | | | | | Fluel Oil |

*since 5.30pm previous day. Year ago prices show average for week. Source: ICIS-London C

| COMMODITY MARKETS | | | | | | | |
|-------------------|-----------|--------|-----------|----------|------------|----------|----------|
| *ESCI Indices | Date data | +Spot | % Day Chg | Dec 31st | % Yr-to-dg | Year ago | % Yr chg |
| Index | 1970-100 | 165.77 | +0.45 | 215.26 | -9.05 | 195.05 | -1.6 |
| Agricultural | 1970-100 | 242.35 | +0.27 | 231.23 | +5.94 | 200.42 | +9.6 |
| Energy | 1965-100 | 71.65 | +0.64 | 65.86 | -16.55 | 70.35 | +1.8 |
| Industrial Metals | 1977-100 | 182.42 | +0.34 | 168.79 | +8.07 | 164.33 | +11.0 |
| Livestock | 1970-100 | 185.83 | -0.04 | 191.03 | -2.16 | 197.52 | -5.3 |
| Precious Metals | 1973-100 | 421.49 | +0.02 | 463.54 | -0.20 | 464.34 | -14.6 |

Source: Goldman, Sachs & Co. *ESCI is a trademark and service mark of Goldman, Sachs & Co. (Data as of 29 Aug 97)

| | | |
|-----------------------------------|--------------|--------------|
| Abbey Managed Ser 4 | 880.2 | 908.5 |
| Abbey National Managed | 157.5 | 162.6 |
| Abbey National UK Equity | 173.0 | 182.2 |
| Abbey Equity Acc Ser 3 | 178.3 | 182.2 |
| Abbey Managed Ser 1 | 180.0 | 182.2 |
| London Equity | | |
| London Mixed | | |
| M & G Managed Bond Acc | | |

| | | | |
|--------------------------------------------|---------|---------|--------------------------------------|
| Atkins Multiple Inv Acc S | 2128.3 | 2251.9 | 612.3 |
| Alford Dunster Distribution Board | 261.70 | 262.20 | Midland Balanced |
| Alford Dunster Equity Acc | 1933.1 | 2008.1 | Midland UK Equity |
| Alford Dunster Inv Cntr High Income Fund S | 2458.00 | 48.10 | Midwest Growth Managed |
| Alford Dunster Project Fund | 1481.6 | 1503.3 | Midwest Security Mgt |
| ATA Equity L Inv Dist Ser 6 | 712.70 | 710.30 | Midwest US Equity |
| ATA Equity L Inv Dist Ser 6 | 1081.0 | 1011.30 | Northwest Union Inv Dist Ex NUJAH MF |
| ATA Equity L Inv Dist Ser 6 | 1081.0 | 1174.70 | Northwest Union United With Profits |
| ATA Equity L Inv Dist Ser 6 | 1411.85 | 1265.40 | NPA Managed |
| Bankers Equity Acc | 1502.2 | 1502.20 | Pearl Equity Inv |
| Bendix International Acc | 491.3 | 511.70 | Pearl Managed Fund |
| Bendix Managed Acc | 703.8 | 740.0 | Pension Fund Managed |
| Block House Income Fund Ser 2 | 1043.75 | 1099.50 | Prudential Inv Inv Mgt Ser 2 |
| Black Horse Mngd Inv Ser 32 | 625.50 | 650.60 | Royal Life Inv Managed |
| Canada Managed Ser 2 | 524.70 | 524.40 | Royal Society Inv Fund Managed |
| CAPFD Equity | 497.5 | 491.9 | Royal Society Inv Fund Managed |
| CAPFD Savings/Bonded | 577.4 | 597.3 | Royal Society Inv Fund Managed |
| Citi Wt Profits Fund | 114.0 | 114.00 | Scandinavian Equity Ser 1 |
| Confederation Equity I | 265.1 | 259.8 | Scandinavian Equity Ser 1 |
| Commercial Union Managed | 522.5 | 501.0 | Scottish Amicable Mngd |
| Commercial Union UK Equity | 705.8 | 742.7 | Scottish Life Managed |
| Commercial Union Wt Profits | 142.7 | 150.1 | Scottish Mutual Society |
| Coast Eagle Managed 2 | 371.1 | 222.3 | Soc Gen Inv Inst Blue Chip |
| Penalty Participants | 181.43 | 180.97 | Soc Gen Inv Inv With-Profits |
| Prudent Investors Managed | 415.0 | 405.8 | Scottish Widows Fund |
| Prudential UK Equity | 550.8 | 611.4 | Standard Equity |
| Prudential Wt Profits | 217.9 | 229.4 | Standard European |
| Prudential Wt Profits | 189.0 | 174.7 | Standard For Cast |
| RAI Corp Mngd Inv Ord | 1042.7 | 1087.5 | Standard Fixed Interest |
| RAI Corp Mngd Inv Ord | 929.4 | 951.7 | Standard Managed |
| RAI Corp Mngd Inv Ord | 202.6 | 403.0 | Sun Alliance Equity |
| RGA Equity Acc | 1484.7 | 1505.7 | Sun Alliance Managed |
| Globe Managed Acc | 807.7 | 849.0 | Sun Life Deferred Distribution |
| Hill Samuel Equity | 987.8 | 934.0 | Sun Life Distribution |
| Hill Samuel Managed Ser A | 988.1 | 987.2 | Sun Life Equity Acc |
| Irish Life Global Mngd Pers Ser 3 | 722.5 | 780.5 | Sun Life Inv Managed Acc |
| J P Morgan & Co Plcs Mngd | 708.0 | 781.0 | Sun Life Inv Can Century Eq |
| Laurensen International UK Inv Acc | 307.1 | 378.0 | Sun Life Inv Can Century Inv |
| Laurensen International UK Inv Acc | 305.4 | 373.9 | Sun Life Inv Gmncy Inv Acc |
| Laurensen Managed Acc Ser 3 | 591.9 | 782.3 | Sun Life Inv Inv Mngd Inv Inv Acc |
| Luton & General Equity Acc | 1978.2 | 1771.8 | Sun Life Early |

sport

Clubs ready for the thrills of Europe



France's Brive celebrate their convincing 21-8 success over Leicester in last year's Heineken Cup final at Cardiff Arms Park

Cast your mind back to the bleak midwinter and wallow awhile in the great, spine-tin-gling moments of the 1997 Five Nations' Championship. You will not need the day off work – a few seconds will suffice – for apart from the brass-necked cheek of Arwel Thomas at Murrayfield, Lawrence Dallaglio's elephant-jungled Twick-enham try against the French, the subtle perturbations of Christophe Lamaison's performance in the same match, Jeremy Guscott's part-time brilliance in Cardiff and the majesty of Olivier Magne's Grand Slam score against the Scots at the Parc des Princes, last season's international show-piece was anything but.

Now compare and contrast the pure theatre generated by the Heineken Cup, which began as a half-cocked, Johnny-come-lately affair without rhyme or reason or, crucially, the modern-day oxygen of television coverage.

Chris Hewett previews this weekend's start to the Heineken Cup and expects a repeat performance of last year's dramas

Fixtures of that magnitude create the bridge between club rugby and Test rugby by sheer, quite palpably, the heart and soul. Club versus country? Only one winner, it seems.

The whole European shooting match begins again this Saturday – the Leinster-Toulouse opener in Dublin and the Toulouse-Pau confrontation in Italy go ahead, while the matches in Britain and France have been delayed, most by 24 hours – and the upbeat mood of organisers and participants alike suggests a bigger, better, more intense tournament.

Anyone who saw last season's matches between Wasps and Cardiff, Pontypridd and Bath, Cardiff and Bath, Pau and Leicester, Leicester and Toulouse or, especially, any fixture involving the eventual champions from Brive will raise

age, but somehow evolved into an absolute show-stopper, something to place alongside the Super 12 extravaganza south of the equator and, if you prefer blood-and-guts drama to tryst-laden soufflé, even put it to shame. Club versus country? Only one winner, it seems.

Quite why some inhabitants of Twickenham, the 15-man code's equivalent of Planet Zob, should continue to talk about creating a stepping stone between League and Test rugby when, quite palpably, the heart and soul of the game is missing.

Not everything in the garden is rosy, even though a big-money five-year broadcasting deal has been signed with BSkyB and the sponsors are pumping £3.5m of their beer money into this year's competition, with a £115,000 sweetener for the finalists. Dallaglio himself raised the vexed issue of qualification.

"I'm not knocking the competition, but it is right that we should have to play 22 tough League matches to get in while the Irish provinces have only to beat Connacht to secure a place?" he asked with a degree of justification. And there is

considerable discontent at the organisers' refusal to play the semi-finals on neutral territory. Those, however, are minor quibbles. Roger Pickering, the tournament director, admitted that the board of European Rugby Cup Ltd was already considering change in qualification regulations for the 1999-2000 campaign.

This season's tournament has

itself been toughened by the in-

duction of a play-off system

to decide three of the eight

quarter-finalists. The five pool

winner will automatically go

through, but matches between

the runners-up and the best

third-placed side will be played

on the weekend of 1 November

as a competitive means of rais-

ing a quorum. Given that pool

performances will be used to

seed teams reaching the knock-

out stage, complacency or lazi-

ness resting will not be an option

at any stage of the proceedings.

The French have won both

competitions thus far, Toulouse

triumphing in 1996 as a prelude

to Brive's stunning smash-and-

grab raid last season, and if the

Toulouse contribute another fi-

nalist this time around, the

match will take place on main-

land Europe. If no French side

makes it all the way, Twickenham

will host the final (great news for

Welsh supporters if Cardiff and

Swansea share top billing).

Predictably, the bookmakers

give the Scottish districts and

Irish provinces something akin

to a cat's hope in hell of reaching

the sudden death phase, all six

sides carrying odds of 100-1

or longer. Bath go in as margin

favourites over Toulouse,

and Bath's 100-1 odds

are the best in the business.

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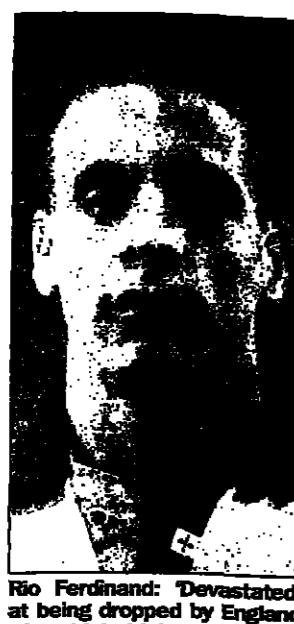
home team, Bath's 100-1 odds</b

European dream
Chris Hewett looks at this season's Heineken Cup competition, page 24

sport

Taste of defeat

Pete Sampras is beaten in the fourth round of the US Open, page 25



Rio Ferdinand: Devastated at being dropped by England after drink-driving conviction

Drink ban costs Rio England chance

Football

GLENN MOORE

Rio Ferdinand yesterday learned that playing football like a grown-up is not enough. To earn the honour of representing England you have to behave like one, too.

Last Friday the teenager was being celebrated as football's new "bright young thing". Billed as the heir to Bobby Moore's guided legend at both club and country, he was called up for England's World Cup tie with Moldova next Wednesday barely six months after making his first start for West Ham. At 18

years and 10 months, Ferdinand had a real chance of becoming the youngest England international since Duncan Edwards.

Then he was arrested and charged with drinking and driving. Yesterday, as news of his arrest and subsequent conviction broke, he was told he will no longer be considered for next week's match, not even as a substitute.

Glenn Hoddle, the England coach, made the decision to exclude Ferdinand without need of prompting by the Football Association. In the wake of the revelations about the state of the driver involved in the death of Diana, Princess of Wales, he had

little choice, but it was emphasised yesterday that Hoddle would have acted the same regardless.

Ferdinand, who pleaded guilty and was banned from driving for a year, was still allowed to join the England party last night and will train with them.

Some will wonder why Ferdinand is rejected while, last season, Paul Gascoigne was selected despite allegations that he had beaten his wife. The crucial difference would appear to be that Ferdinand has been charged and convicted while Gascoigne was not, neither the police nor his wife having made a complaint.

Since Gascoigne admitted his behaviour, this argument may seem disingenuous but the inconsistency reflects Hoddle's interest in the pastoral side of his job. Many feel Gascoigne is beyond redemption but Hoddle believes the way to bring the best from him, both as a man and a footballer, is through counselling and support from within the England framework. Ferdinand would appear less in need of help and the hope is that by this salutary lesson he - and the other young players in the squad - will see what they are risking.

That was his club's view. Peter Storrie, the West Ham chief executive, said: "The player deeply regrets his actions. He has made a mistake and paid a high price. The club hopes he will learn by this and will concentrate his efforts on the exciting career ahead of him."

It was not entirely clear yesterday what type of mistake Ferdinand made after celebrating his England call-up on Saturday night. Initial reports said he was caught driving home but his mother, Janice, said he had taken a taxi that night. She said he was stopped on Sunday having not appreciated how long alcohol stayed in the blood. She also told the Press Association this occurred in the afternoon,

which would require a formidable amount of alcohol to have been consumed the previous night. Earlier, clearly upset, she was quoted by West Ham's Clubcall suggesting he was stopped in the morning having left a garage without turning his lights back on - which must have been early in the day since it is light by 7am.

Either way Ferdinand is not regarded as a heavy drinker and this seen more as a lapse in judgement than an illustration of a self-destructive lifestyle. That is one reason why Hoddle has given him the encouragement of allowing him to remain with the squad; another is that

he and the senior players will be able to caution him privately about his behaviour.

"He is absolutely devastated," his mother added. "He is really distraught and so very sorry. We are all so sad. Rio has had such a solid head on his shoulders. He has been very strong and positive about keeping away from temptation. He does a man's job out there on a Saturday and he will fight back from this."

In less than a week Ferdinand has reached for the stars and stared at the abyss. It is now his choice as to which path he follows. Yesterday, Hoddle pointed him in the direction.

Martin denied his Ryder Cup chance

GOLF

ANDY FARRELL

Just when Europe's preparation for the Ryder Cup could not get any worse, the Ryder Cup Committee has taken the unprecedented and undignified step of dumping Miguel Angel Martin, entirely against his will, from the team for the match against the Americans in three weeks' time.

José María Olazábal, who finished 11th on the qualifying table, now becomes an automatic selection. While captain Seve Ballesteros will finally name his two wild cards in Switzerland on Thursday, Tom Kite, his opposite number, has been happily in possession of his American line-up for over two weeks.

Martin, who had an operation on his injured wrist on 5 August and only had the plaster removed last week, refused to attend a fitness test at Valderrama today, fearing it would damage his recovery.

"Miguel has not played competitive golf since 18 July and had been requested to demonstrate that there was a reasonable likelihood that he would be fit and competitive for the Ryder Cup matches," said a statement of Mitchell Platts, the European Tour's director of communications. "Miguel informed the Ry-

der Cup committee that he did not think it was necessary or convenient in his recuperation to play 18 holes at Valderrama, which would have provided this opportunity. Following close consultation between the Ryder Cup Committee and Seve Ballesteros, Miguel has been informed that he will be replaced."

Ken Schofield, the executive director of the PGA European Tour, announced on Sunday that Martin would have to undergo a fitness test at a course in Madrid. But yesterday morning by fax, Martin was informed he was required to play 18 holes at Valderrama, venue for the match on 26-28 September. An English sports medicine doctor and representatives of the Ryder Cup Committee and the Spanish Federation would be present.

"I answered the committee that I am not going to be there," Martin said. "I can't play 18 holes properly at this time." Martin's physiotherapist did not want him to go, either. "They say, 'no, no, if you go, we will stop doing things that are very important'."

"They are doing things every day for my wrist and my recovery would be harmed by hitting shots now. That's what I want to avoid. I want to get fit - for the Ryder Cup, if possible, but

if not for that then for the next tournament, or for next year or forever, I don't want to do any damage."

There seems little hope that Martin, who suffered the injury at Loch Lomond and last played at the Open, can be match-fit in time for Valderrama, but he wanted to be given as much time as possible. "I don't want to withdraw," he said. "This is my sport and I am going to be there if I can."

It is possible that Martin

may start legal proceedings to regain his place. The 35-year-old Spaniard was never out of the automatic spots over the 12 months of qualifying and he won the Heineken Classic in Perth in February. Despite making only one cut since the end of May, no one knocked him out of the top 10.

Controversy over the selection of European Ryder Cup teams is nothing new. The system and number of wild cards has been a talking point not just this year, but for other recent matches. But clearly, Ballesteros will go to Valderrama to defend the cup with a stronger hand with Olazábal stepping into the team and the captain free to select Nick Faldo and Jesper Parnevik, or someone else who has demonstrated good form in the last few weeks.

FA 'keen' to stage charity match

The Football Association remain "very keen" on honouring the memory of Diana, Princess of Wales by staging a charity match to raise funds for the Bosnian victims of landmines.

"The Princess was obviously very keen on the landmines issue and we were having talks with charity organisations before she died," a spokeswoman said. "No details were finalised, but we are still very keen to pursue the idea of staging the game."

Scotland will play their World Cup qualifying match against Be-

larus at Pittodrie on Saturday at originally planned, despite the fact that it will clash with the funeral of Princess Diana.

This has not been an easy decision for the international committee to reach, the Scottish FA chief executive Jim Farry said: "but there are insurmountable logistical difficulties. We are extremely conscious of the mood of the nation and trust people will try to understand our position and how difficult it has been to arrive at this decision."

Players from both sides will

wear black armbands and observe a minute's silence.

Glasgow have been frustrated in their attempts to play their union Heineken European Cup game against Ulster on Friday night. The tournament organisers, ERC Ltd, have refused a request by both clubs for dispensation to stage the match on schedule with a two-minute silence before kick-off. The match will be played on Monday.

Rearranged weekend football and rugby union fixtures, page 24

DAVID LLEWELLYN
reports from Canterbury
Kent 305
Gloucestershire 12-0

There was an unfocused look to events at the St Lawrence Ground yesterday. If there was an edge to this top-of-the-table match, then it was blurred. Third-placed Gloucestershire clawed back one point, but Kent are unlikely to be too bothered. The wicket has bounce and turn and Kent have Paul Strang in their line-up.

The Zimbabwe leg-spinner already has more than 50 Championship wickets to his name and in the one over he had at Gloucestershire's openers he posed an immediate

threat, finding the edge of Dominic Hewson's bat and drawing anguished cries from his team-mates as the ball scuttled to the boundary instead of to a pair of eager Kent hands.

Dean Headley also looked menacing and exploited the bounce from the off, rattling Hewson's rib cage with a brute of a delivery. Things are likely to become harder rather than easier, so Kent will probably be content with their first-innings score.

If they did not exactly scratch around for runs, nor did they fill their boots. Maybe it was the early start, maybe there was an autumnal feel to the atmosphere, but the Championship leaders were in trouble not long after the start, losing their openers David Fulton and Ed Smith within 11 overs.

When Trevor Ward also departed not long afterwards, it needed the experience of Alan Wells, the former Sussex captain, was majestic. No matter what Gloucestershire tried (and he faced six of the seven bowlers they employed during the day), Wells was the equal of it.

The manner in which he took some of his 17 boundaries quite took the breath away. Gloucestershire's captain Mark Alleyne was driven imperiously through the covers on a number of occasions and once twice cut hard to the boundary.

Not even the former England fast bowler David Lawrence was spared. Wells has been the man in form for Kent, having scored a lot more runs in the

Championship than his teammates. His dismissal came as a total surprise, caught down the leg side off his chief source of runs, Alleyne.

By then he had shown the way, though. Matthew Fleming roared into the forties, while Mark Ealham anchored him-

Wells gives Kent runs to play with

DEREK PRINGLE
reports from The Oval
Surrey 204
Glamorgan 133-2

An unbeaten half-century by Glamorgan's captain, Matthew Maynard, from just 51 balls has put his team in with a chance of taking a telling first-innings advantage over Surrey after the home side were bowled out by tea for 204. With both sides wearing black arm-bands following the tragic events in Paris, Glamorgan's glee was somewhat lost in the sombre atmosphere of a near-empty Oval.

Maynard, who came to the wicket after Hugh Morris was caught behind off Sagnall Mustaq, played with both authority and freedom, unencumbered by the dislocated thumb that troubled him against Leicestershire.

When he is in the mood, Maynard has a power and range of stroke few in the land can match. Yesterday few escaped his wrath and, having pulled and glanced Ben Hollioake for a brace of fours, he savagely clumped Sagnall high and wide for six over mid-wicket.

If there is a criticism, it is that when the pressure is on he tends to overdo the gum-hits, and in the past some of his downfalls have been every bit as spectacular as his successes.

For me it is a misleading guide with which to judge county cricket teams at this time of year. Before this game, Surrey, some 20 points adrift of their opponents here, had beaten four of their last five opponents, while Glamorgan's co-leaders, had won just once.

It was a record that did not bode well for the visitors, especially after Adam Hollioake won the toss on a dry pitch that provided plenty of easy turn for those prepared to work their fingers.

That said, spin did not play its part until substantial inroads had already been made, and Wagh's return to his old stamping ground came to almost instant fruition when in his third over he removed his old captain Alec Stewart, caught behind by the keeper, Adrian Shaw.

With this winter's touring side to be decided within the next week, Mark Butcher could have done with a big score to help cement his name in the selectors' minds. Instead, having reached

20 in untroubled fashion, he tried to whip across a straight ball from Steve Watkin and was lbw.

Such lapses in concentration are not unusual at this time of year and Graham Thorpe, after a flurry of boundaries, was equally guilty, edging an ambitious cover drive off Darren Thomas.

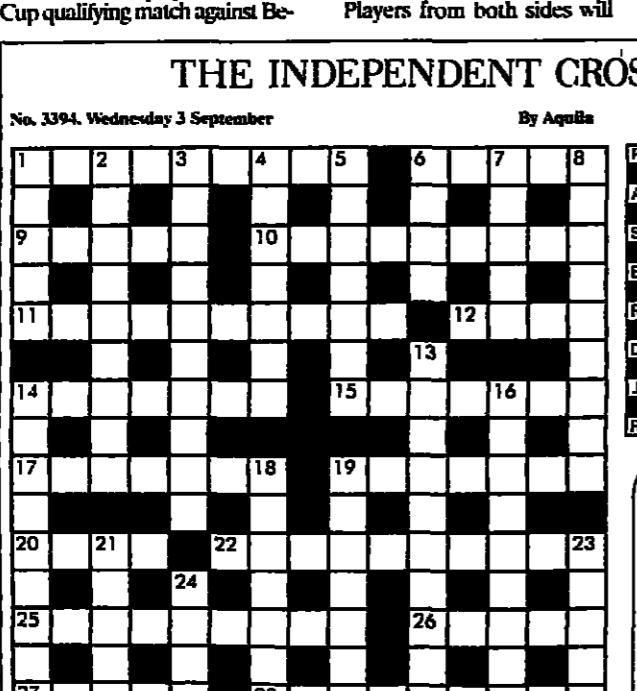
With three prime wickets virtually gifted Glamorgan's way, Croft was left to slowly exert pressure from the Pavilion End. With the ball occasionally nipping sharply, Surrey's middle order simply did not have the technical wherewithal to keep him out without taking risks, and both Hollioake brothers were out sweeping across the line.

Adam Hollioake, who in all probability will lead England's one-day side to Sharjah this December, had begun aggressively, striking his fifth ball (from Croft) for a mighty six over long-on.

That dominance was short-lived, however, and only Alastair Brown played with the necessary determination. Positive but not over-ambitious, Brown struck the ball with his gong-like clarity until a rare moment of indecision against the first ball of Watkin's third spell, giving Shaw the third of his five catches.

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T L O A
BEAU ICEBOUND
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